FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,024 Thursday November 22 1979

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 4.25; PORTUGAL Esc 35; SPAIN Pts 60; SWEDEN Kr 3.75; SWITZERLAND Fr 2.0; EIRE 20p

NEWS SUMMARY

GENERAL

British interests 'damaged' by Blunt

British interests had been "seriously damaged" by Anthony Blunt's activities as a Russian spy, Margaret Thatcher said yesterday in the Commons debate on the affair. The Government did not know exactly what information he had passed to Soviet intelligence.

Mrs. Thatcher said that since 1967 successive Prime Ministers and Home Secretaries had been informed of the situation. The Queen had been advised in 1964 to take no action against Blunt in case it alerted the Russians.

The Prime Minister made it clear she believed a full inquiry would serve no useful purpose. Back Page; Parliament, Page 16

Rhodesia effort

The five front line African states are planning to meet in Dar es Salaam this weekend in an effort to break the deadlock at the Lancaster House talks over negotiations for a ceasefire in the Rhodesia war.

Budget support

Support for Britain's demands for a cut in its EEC Budget contribution came from the three Benelux Prime Ministers, who said Britain should benefit from a modification of the "corrective mechanism" which would cut its payments by about one-third.

Mortgage rate up

Building societies are today expected to recommend an increase in the mortgage rate from 11½ per cent to between 12½ and 13 per cent, following last week's increase in Minimum Lending Rate and subsequent rise in interest rates. Back Page

Trudeau to go

Former Canadian Prime Minister Pierre Trudeau said he will resign as head of the opposition Liberal Party next March. Mr. Trudeau, 60, said the change of leadership was necessary to enable the Liberals to come to power again. Page 6

Policemen killed

Four gunmen shot dead two officers of the para-military carabinieri force in Genoa. The new outbreak of political killings has overshadowed the general strike throughout Italy. Page 3

Kosygin ill

Soviet Prime Minister Alexei Kosygin suffered a heart attack and will be unable to work for several months, it was reported in Moscow. Mr. Kosygin, 75, has not been seen in public for more than a month. Page 3

Ripper tip-off

Chicago police detained a well-dressed Englishman for six hours after a tip-off that he resembled a composite sketch of the Yorkshire Ripper.

Nuclear talks

Soviet Foreign Minister Andrei Gromyko began talks in Bonn on the NATO decision to modernise nuclear forces in Europe — an issue clouding German-Soviet relations for the past two months. Page 3

BBC suspensions

The BBC suspended a further 30 Association of Broadcasting Staff members after three crews walked out from Television Centre over the regrading dispute.

Briefly....

A Bradford man died in a nine-car pile up in thick fog on the A1 in West Yorkshire.

Soviet Union is to send monkeys into orbit to study their reactions to prolonged space journeys.

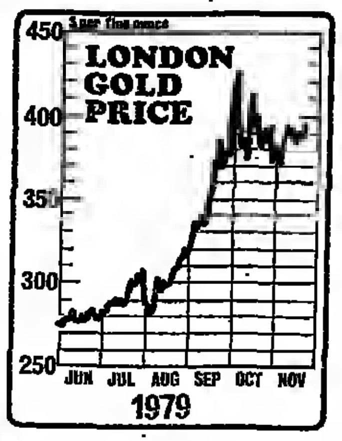
BUSINESS

Gilts fall 0.39; Equities rally

● GILTS were uneasy before new tap applications with losses of up to ½ in longs and ¾ in shorts. The Government Securities index fell 0.39 to 64.62.

● EQUITIES rallied ahead of ICI results and the FT 30-share index rose 5.3 to 412.0.

● STERLING was nervous on car industry unrest and finished 60 points higher at $2.1740. Its trade-weighted index was unchanged at 69.6. DOLLAR'S index also remained at 86.6.



● GOLD rose $3.25 in London to close at $396.75.

● WALL STREET was 4.95 down at 804.27 near the close.

● MANUFACTURERS Hanover Trust told Congress it would not lend Chrysler U.S. further money without security. Back Page

● LLOYD'S of London's next chairman will be Mr. Peter Green, an underwriter and chairman of Janson Green. Page 13

● EXPORT Credits Guarantee Department's claims payments in the year to last April exceeded premium income. Page 8

● ELF-AQUITAINE has struck oil in southern France in quantities that, although modest, might double home crude production. Page 2

● PLESSEY Airfield Systems has won a £5m contract to project a new international airport at Abidjan, Ivory Coast. Page 8

LABOUR

● BL CARS approached production shutdown last night as 35,000 workers struck over the dismissal of Derek Robinson, the Longbridge convener. The AUEW executive holds an emergency meeting today. Back Page

● BRITISH SUGAR Corporation would need to shed almost half its workforce if proposals to cut EEC production go ahead. Page 13

● PAY forum with TUC and employers' representatives, empowered to issue wage guidelines, was suggested by the AUEW's general secretary at the FT conference on industrial relations. Page 15

COMPANIES

● BURTON Group increased pre-tax profits from £6.78m to £17.46m in the 53 weeks to September 1 and is raising total dividend from 4.5p to 10p with a final of 7p. Page 26 and Lex, Back Page

● NEWS LTD., Mr. Rupert Murdoch's newspaper and television group, may face an injunction from Australia's Trade Practices Commission unless it stops buying Herald and Weekly Times stock. Paga 34

● TESCO Stores (Holdings) raised pre-tax profits for the 24 weeks to August II from £13.8m to £17.04m on turnover of £669.97m (£529.9Im). Page 26 and Lex, Back Page; Marketing profile Page I9

KHOMEINI ACCUSED OF 'LYING' BY BLAMING U.S.

The U.S. Government last night accused Iran's Ayatollah Khomeini of "outright lying" in saying that the U.S. was behind Tuesday's violent take-over of the Great Mosque in Mecca by Muslim extremists. Saudi Arabian troops stormed the Islamic holy shrine to free worshippers held captive. The events in Mecca may have provoked angry attacks on the U.S. Embassy in Islamabad—where a marine guard was killed—and consulates elsewhere in Pakistan. In Rawalpindi the British consulate was attacked.

In Tehran, up to a million people demanding the ailing Shah be returned for trial demonstrated outside the U.S. Embassy. Inside, students threatened to kill their 49 hostages if the U.S. intervened militarily.

The White House re-emphasised that the U.S. might use force if the hostages were not released. The 81,000-ton aircraft carrier Kitty Hawk and support ships left their Philippines base for the Indian Ocean. Page 4

Saudi troops storm mosque in bid to free hostages

BY CORRESPONDENTS IN JEDDAH, BEIRUT AND TUNIS

SAUDI ARABIAN troops stormed the Great Mosque in Mecca, the holiest shrine in Islam yesterday — in a bid to free worshippers held hostage there since Tuesday morning by over 300 armed Islamic militants.

The siege of the Great Mosque was still under way last night with several rebels holding out against armoured troops which have effectively sealed off the holy city of Mecca in a running battle which had so far caused several dozen, possibly several hundred, deaths.

The clash is the most serious challenge to the Saudi royal family since President Nasser's attempts to bring down the dynasty in the early 1960s.

The battle between Saudi security forces and the rebels has shocked the Arab world. Last night senior Saudi officials, who called the rebels "maniacs" insisted that there was no threat to the stability of the world's largest oil exporter.

The gunmen, apparently from an important tribe in the south-east of the country, are believed to be religious traditionalists who want to return to the fundamentals of Islam. But they do not appear to be directly linked to the militant Shi'a Moslems of Ayatollah Khomeini's revolution in Iran.

The attack, widely condemned both in the Arab world and Iran, is nevertheless seen as more than religious fanaticism, and part of a chain reaction provoked by the revolution in Iran.

At the Arab summit in Tunis Crown Prince Fahd, the leading figure in the Saudi hierarchy was in constant touch with the authorities in Mecca. In an early morning briefing to the Arab Heads of Government he said that Prince Sultan bin Abdel-Aziz, the Defence Minister, had flown back to take charge of the military operation.

The attack on the Mosque began at dawn on Tuesday, when between 40,000 and 50,000 worshippers had assembled for prayers on the first day of the new Moslem century, 1,400 years after the flight of the Prophet Mohammed from Mecca to Medina.

The rebels, said to be from the Otaiba tribe, took over the Mosque using automatic weapons in a gun battle in which at least 30 to 40 people were killed.

One unconfirmed report said that King Khaled's brother, Prince Misbail, former Governor of Mecca, was among those killed.

The group's leader announced that he was the long-awaited "Mahdi" or saviour.

He asked the senior religious official present, the Imam, to read a proclamation denouncing "impure Islam," a seeming reference to Saudi Arabia's rapid economic development and the social consequences. The Imam refused to do this and was shot dead.

The Otaiba are Bedouin and one of the leading tribal confederations of the Kingdom on whose support the Saudi royal family has traditionally relied.

The régime has become increasingly conscious of the dangers of offending conservative feelings as a result of too rapid change and the possible spread of religious extremism from Iran.

In Tehran yesterday a senior Minister said that the Saudi authorities had been worried about the political activities of some of the 74,000 Iranian pilgrims in Saudi Arabia.

In the 24 hours that followed the seizing of the Great Mosque, the Saudi authorities cut communications with the outside world, flew hundreds of troops into Mecca, backed by tanks and helicopters, and posted guards at key points in the capital Riyadh and in Jeddah.

In the battle with the rebels, according to one report, the Saudi troops shelled one of the gates of the Mosque causing heavy loss of life.

Troops finally broke into the main precincts of the Mosque yesterday afternoon. Last night the rebels were still holding out with a number of hostages in some parts of the building.

An Islamic shock for the Kingdom Page 24

Arthur Knight takes over at NEB

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE LEADERSHIP and management style of the controversial National Enterprise Board was dramatically changed yesterday by the Government in a series of carefully planned events. They ended with Sir Arthur Knight, who retires as chairman of Courtaulds at the end of the year, taking over as the organisation's new part-time chairman.

The moves met with hostility from trade unionists and Labour MPs. But Sir Keith Joseph, Industry Secretary, tried to avoid a potentially serious political row by announcing a strong team to accompany Sir Arthur and by stressing that the NEB had a continuing role.

Monitoring of Rolls-Royce is to be transferred almost immediately to the Department of Industry, to which the Government may also transfer BL. Sir Arthur and his new board members have accepted that this may happen.

Sir Frank McFadzean, former chairman of British Airways and Shell, is to take over as chairman of Rolls-Royce in February. He will succeed Sir Kenneth Keith, whose long feud with the NEB over the funding and management of Rolls-Royce precipitated the present crisis.

Sir Leslie Murphy, the outgoing NEB chairman, and his eight fellow Board members resigned yesterday morning, having been told the night before that Rolls-Royce was to be transferred against their wishes. Their mass resignation enabled the Government to announce the new Board in the Commons.

Sir Arthur is backed up by a Board of businessmen of equal prestige to the outgoing team, but it lacks union leaders among its members. The TUC is refusing to help the Government find trade union nominees.

Mr. Len Murray, TUC general secretary, said: "I am appalled by the Government's decision and the shabby treatment the Board has had all along.

"I am sure no self-respecting trade unionist wil be sitting on the new Board."

Sir Arthur went to the NEB HQ in London last night shortly after his appointment was announced. He addressed the 90 staff and later said: "This is an interesting job in a field I find particularly important."

Sir Arthur said he had been approached concerning the chairmanship about a week ago when the Government thought Sir Leslie would resign. Since then, he had influenced the choice of the new board members and he now hoped that TUC leaders might agree to join, despite their present refusal.

He indicated that he is prepared to see BL freed from

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Future of the NEB Page 17

Iran 'in default' on $500m loan

BY JOHN EVANS

MAJOR WESTERN banks have declared Iran to be in default on a $500m loan, the largest dollar loan it has raised on international capital markets. The Iran Government is being asked to repay the credit immediately.

The declaration, which could also place other Iranian loans in default seems sure to set off a fierce controversy among Western banks. Non-U.S. banks are becoming increasingly worried about being drawn into the worsening confrontation between the U.S. and Iran and fear the destabilising effect which default could have on the international financial system.

At stake is a $500m syndicated loan raised by the Imperial Government of Iran early in 1977 when the Shah was in power. Banks decided to declare the default following Iran's failure last week to make a regular six-monthly interest payment.

The non-payment by Iran followed President Jimmy Carter's decision to freeze official Iranian funds in the U.S. banking system.

Chase Manhattan Bank, which is subject to the U.S. blocking order at its domestic and foreign branches, is the agent bank for the loan. It carried out a poll this week among the participating banks asking their views because of the non-payment.

Chase is also the agent or administrative bank for an estimated $1.3bn of other Iranian syndicated dollar loans.

The decision to declare default and press Iran for "accelerated" repayments, which effectively calls in the loan, was decided by a majority decision. But participating banks were apparently far from unanimous.

Chase refused all comment, although the bank—as agent—must carry out the polling procedure under the terms on the loan agreement.

Besides Chase, key members in the syndicate are Bank of America, Bankers Trust Company, Chemical Bank, Citibank, Manufacturers Hanover Trust and Morgan Guaranty. National Westminster, Swiss Bank Corporation, Union Bank of Switzerland and Toronto Dominion Bank are leading non-U.S. members.

Bankers close to the negotiations said that while default had been declared, there was still "utter confusion" over the status of the loan because of the U.S. freeze.

A central question is whether the Iranian Ministry of Finance, which has been sent the default notification, will in fact repay the loan as requested.

If Tehran fails to do so, the U.S. banks in the syndicate may decide to repay the loan from the frozen official deposits that they are now holding. However, European and other banks cannot be repaid from this source because the U.S. banks are under orders to block the Iranian accounts, the bankers said.

Iranian official debt held in the international banking system is estimated at $6bn, of which about $2.5bn is owed to U.S. banks. Revised Washington calculations show that blocked Iranian assets total more than $8bn, compared with the previous estimate of less than $6bn.

The total of other Iranian loans which may now be triggered into default by developments on the Imperial Government loan is not known. Banks participating in other syndicated loans are being polled on their attitude, but little response has been received so far, reflecting the grave uncertainty in capital market, bankers said.

It is understood that large loans such as the $360m facility for the Iranian National Petrochemical Company and the $250m credit for the Iranian Telecommunications Company—both guaranteed by the Iranian Government—will now be subject to "cross default" actions.

£ in New York

—	Nov. 20	Previous
Spot	$2.1710-1750	$2.1775-1790
1 month	0.60-0.50 dis	0.63-0.58 dis
3 months	1.01-0.91 dis	0.87-0.82 dis
12 months	3.45-3.35 dis	3.55-3.15 dis

Tories back transfer

BY RICHARD EVANS, LOBBY EDITOR

SIR KEITH JOSEPH'S decision to transfer responsibility for Rolls-Royce to the Department of Industry was warmly welcomed by Conservative MPs, but regarded by Labour leaders as heralding the slow death of the National Enterprise Board.

The Opposition feared that pressure from BL, with the support of Tory MPs, would persuade Sir Keith to extract the State-owned car manufacturer from the NEB, leaving it with a selection of less significant holdings.

Labour MPs clearly regarded Sir Keith's moves as a deliberate attempt by him to weaken the power and influence of the NEB without killing it off outright, and to substitute a chairman and board who would be under constant threat of dismissal should they disagree with the Industry Secretary.

The reaction of Conservative MPs was favourable, but some backbenchers later expressed the view privately that the Government should make more clear its intention to do away with the NEB completely during this Parliament.

Sir Keith maintained, against furious Labour protests, that the "friction" which had extended over a considerable period between the management of Rolls-Royce and the NEB justified the change being imposed by the Government.

NUM poll on industrial action

BY PHILIP BASSETT, LABOUR STAFF

MINERS' LEADERS yesterday decided to hold a pithead ballot to seek authority for industrial action, including if necessary a national strike, after the National Coal Board refused to improve its 20 per cent pay offer.

Immediate industrial action when the ballot result is made known following the next meeting of the National Union of Mineworkers' executive on December 6 seems unlikely.

The ballot result—if as seems likely the executive's recommendation wins support—will be used by the union as a lever in further negotiations.

Nevertheless, the union and the Board look perilously close to a confrontation. The Board claims that it has reached the end of its financial resources. It remains to be seen whether the Government is forced to abandon its declared neutrality in pay bargaining and to find ways of increasing the offer.

The Board's 20 per cent "final" offer already assumes that it will receive the maximum Government grant of £250m to £260m for 1980-81.

The executive approved, by 15 votes to nine, the following motion for ballot: "In view of the unsatisfactory response by the National Coal Board to our wages claim, which the NEC rejected, we ask the members if they are prepared to support the NEC position and give authority to the NEC to call various forms of industrial action, including national strike action if necessary, to win an increase in wages in line with the national conference decision.

Balloting will take place on

Continued on Back Page

Shell faces threat of 24-hour strikes, Page 15

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Assd. Newspapers	240	+ 8
Barratt Develops.	109	+ 5
Boots	154	+ 8
Brocks	80	+ 5
Burton A	224	+ 20
Cawoods	148	+ 8
Courtaulds	78	+ 3
Cramphorn	375	+ 15
Diploma Invs.	325	+ 15
Gough Cooper	71	+ 7
Hambros	270	+ 4
ICI	352	+ 14
Intnl. Thomson	360	+ 12
Kent (M. P.)	46	+ 5
KwikSave	108	+ 4
Ladbroke	149	+ 5
Lon. Merchant Secs.	113	+ 6
Lucas Inds.	210	+ 6
MEPC	143	+ 4
Midland Bank	327	+ 5
Milford Docks	175	+ 12
Ntnl. Carbonising	115	+ 11
N. British Prop.	122	+ 9
Phoenix Timber	137	+ 9
Prudential	149	+ 6
Wedgwood	76	+ 8
Westminster Prop.	31	+ 3
Burmah Oil	173	+ 5
LASMO	370	+ 18
Siebens (UK)	288	+ 36
Anglo Amer. Crpn.	410	+ 14
Con. Gld. Fld. Aust.	295	+ 15
Hartebeest	£20¼	+ ¾
Randfontein	£22	+ 1

FALLS

Treas. 9½pc 1983	£84¼	− ¾
Treas. 13¾pc 2000-03 A (£20 pd.)	£22⅜	− ⅛
Alexanders Discount	200	− 5
Metal Box	242	− 4

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Western aid expected to rise next year but still below target

BY DAVID WHITE IN PARIS

THE LEVEL of development aid from Western governments is likely to be more than maintained next year, despite a pause in some countries' effort as a result of economic difficulties. But assistance remains at only about half target levels, and not enough of it goes to the countries that need it most, according to Mr. John Lewis, U.S. chairman of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development.

A two-day top-level meeting of the organisation indicated that official aid would probably increase in real terms next year after reaching $20bn this year.

This year's figure represents 0.34 per cent of donor countries' gross national product, compared with a target level of 0.7 per cent. Mr. Lewis said this proportion could be expected to "inch up" in future, marking a rather faster increase in the actual amount of aid, since the GNP base was also moving up.

The meeting, however, took a gloomy view of what developing countries would suffer as a result of oil price increases and the connected rise in the cost of their imports from the industrialised countries.

Oil-importing countries of the Third World were expected to run up a balance of payments deficit of about $60bn next year, with a cautious allowance for further oil price increases.

The group of lowest-income countries, as defined by the United Nations, was likely to see its combined deficit rise by $6bn, from $5bn to $11bn. The problem would be even bigger for middle-income developing countries, where the shortfall was expected to soar from $21bn to around $50bn.

This deficit would not be as big in terms of these countries' GNP as it was after the first round of oil price rises in 1974. But developing countries also had to cope with slow growth in the OECD area and with weakening commodity markets.

More soft loan support would be needed, and not just in the short term.

Despite the prospect for increased aid, the outlook was inadequate in terms both of volume and of the distribution of aid, barely half of which was currently going to the poorest countries. For the middle-income countries, Mr. Lewis said, the main emphasis should be on trade, which was also in the interests of OECD countries themselves.

U.S. disbursements of aid would "almost certainly" increase this year and next, while the UK had promised to maintain the real value of its contribution. Italy was doubling its aid effort as a proportion of GNP, and Finland was aiming to do the same by 1982. West Germany and Japan were also stepping up their aid budgets and France was committed to moving back as fast as possible to the 0.7 per cent target.

Sweden, Norway, Denmark and Holland remained the best aid performers in proportion to their economic strength. Their above-target contributions, coupled with extra funds from the West Germans and Japanese, should be enough to compensate for setbacks elsewhere.

The overall flow of resources from the industrialised countries was close to $100bn a year, which was up to the target of 1 per cent of GNP, Mr. Lewis said.

The meeting adopted a set of guidelines for improving the speed and efficiency of aid spending. The DAC chairman said that the guidelines, drawn up after consultations with receiving countries, were a big step ahead towards establishing norms of good practice.

French strike oil in south

By Robert Mauthner in Paris

ELF-AQUITAINE, the French nationalised oil company, has announced that it has found new oil deposits in South-west France near Pau. Though modest in relation to national consumption, they could double French domestic production of crude by 1983.

The discovery of oil by a group controlled by Elf-Aquitaine and in which Esso-rep has a 30 per cent stake, is the biggest find in France for the past 10 years. According to the company, the new field at Burosse-Vialer, 20 miles north of Pau, is likely to produce 600,000 tonnes of crude annually when it is fully exploited. Production is expected to start as soon as next year with an initial annual output of 100,000 tonnes.

If exploration at the nearby locality of Cadillon also produces positive results, output from the two fields could amount to 1m tonnes per year, or about 1 per cent of France's current annual consumption of oil products.

Swiss bid to gain time

By John Wicks in Zurich

AN ATTEMPT to introduce summer time in Switzerland next year could cause a national controversy. Although a majority of voters opposed its introduction in a referendum last year, the Federal Council has recommended adoption by Parliament of a new "time Act" to take effect on April 6, 1980.

The Government is pressing the issue because of an unexpected change in West Germany's policy. Austria intends to follow West Germany's example; France and Italy already have it.

This would mean that Switzerland next year would become what the authorities are calling a "time island" in central Europe. Considerable concern is being expressed particularly by the railways and airlines and by the border cantons.

Farmers who were among the most vocal opponents of summer time in the referendum; claim their arguments still hold good. It is also argued that it would be undemocratic for a law to be passed so soon after explicit opposition in a referendum.

Although the Federal Council contends that circumstances have changed, the farmers' case could win widespread support should a referendum be called against the proposed law.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second class postage paid at New York N.Y. and at additional mailing centres.

Hungarians learn to live with inflation

BY LESLIE COLITT IN BUDAPEST

WHETHER to raise prices and risk popular unrest or allow subsidies to reach economically ruinous levels is the single most sensitive issue currently facing the governments of Eastern Europe.

Bulgaria has already taken the plunge by raising prices of basic foodstuffs by some 30 per cent with many more products and services to follow. Minimum wages were also raised, but the overall effect is a loss of purchasing power. For the first time the Bulgarian authorities have spoken of "eventually doing away with state subsidies" and producing more varied and better quality goods.

In East Germany the authorities have had to cancel unannounced price rises for a number of consumer goods, having already replaced cheaper lines of goods with more expensive ones at much higher prices. East Germans quickly detected the strategy and complained that it violated the Government's pledge to maintain fixed prices.

Hungary alone among Comecon countries is informing its population well ahead of its regular price rises, and has managed to convince most citizens that adjusting prices to international levels is the medicine needed to cure the economy of ingrained inefficient economy of ingrained inefficiency.

Hungarian officials are also the only ones in Eastern Europe to admit to inflation. "What else can one call it when prices rise not just from costs but also because of the money supply," asks Mr. Janos Bacskai, the President of the Hungarian National Bank. He says prices in Hungary have gone up by 9 per cent this year, with wages rising only minimally.

Such candour—and in some ways Hungary's inflation itself—is partly attributable to the country's so-called "New Economic Mechanism," a reform launched in 1968 to decentralise the economy. The move was a response to a drop in national income and investment growth, a virtual halt in construction and a fall in agricultural production.

The father of the reform programme was Mr. Reszoe Nyers, Politburo member and central committee secretary for economic affairs. But he was relieved of his posts in 1974 following criticism of widespread profiteering. Mr. Karoly Nemeth was then put in charge of the economic reform. A new wage policy was introduced benefiting industrial workers and State controls were clamped on property speculation, but the basic tenets of the policy survived: the abolition of centrally-dictated industrial targets and the introduction of quasi-market forces to stimulate efficiency.

Although Hungarian households are now paying more for food, consumer goods and energy, the higher prices have meant improved supplies in the shops. Visitors from East Germany and Czechoslovakia find it hard to believe that the Hungarians' standard of living is lower than theirs after seeing what they are able to purchase.

Hungary's planned price increases, to reflect real costs and not their socially desirable value, have already brought the famed Hungarian salami back to the shops. In the early 1970s, salami was reasonable in price but seldom obtainable inside the country. Today the domestic price of salami is as high as in the West but readily available in food stores.

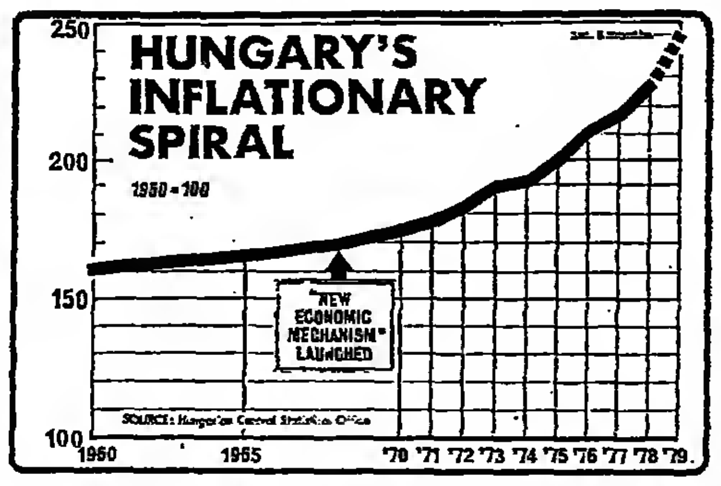
To protect lower income families from hardship, prices for basic foods and public transport have been raised only slightly. A ride on the Budapest underground, for example, is one forint—5 U.S. cents. A goulash soup costs ten forints, but is served along with a basket heaped with highly subsidised bread.

The changes are also forcing adjustments in purchasing habits similar to those seen increasingly in the West this past decade. Hungarian housewives used to buy their meat by the kilo before meat prices were raised. Now they buy it by the slice, and demand leaner cuts.

Similarly, customers in better category restaurants began staying away in droves when prices were raised by up to 50 per cent in July. But the Government has told the restaurants they may now drop their prices by up to 20 per cent to try to regain patronage.

On the industrial front, Hungarian factory directors are poring over a thick manual of government regulations which on January 1 will lift to world levels the prices Hungarian manufacturers pay for raw materials.

Until now a Hungarian factory turning out refrigerators, for example, paid far less for steel than it cost the mill to produce. The result was heavy refrigerators and wasted steel. Manufacturers turning out 67 per cent of Hungarian products will now be allowed to charge prices that include their actual production costs plus a profit based on the company's efficiency.



At the same time factories that operate profitably will be able to give 9 per cent wage increases to workers and pay larger bonuses to managerial staff. Conversely, unprofitable factories will be unable to pay more to their employees and may even have to shed manpower just to retain pay levels.

Hitherto, wages paid to skilled workers exceeded those of unskilled workers by only 30 per cent, a differential helping to fuel Hungary's chronic shortage of skilled labour.

Hungarian economists note that consumer prices are to rise along with the new production prices, as the aim is to minimise state subsidies to both enterprises and consumers.

The Hungarian Press, which is more outspoken than in other Warsaw Pact countries and thus more credible, is pointing out the advantages of the reforms and some of the dangers.

An article in Magyar Hirlap notes: "Our past feeling of security has been severely jolted." Another says: "It must be brought home to workers that the right to work does not always mean the right to the same place of work."

In the early 1970s, Mr. Janos Fekete, the Deputy Vice President of the National Bank of Hungary, created a stir when he spoke of the need to achieve convertibility for the Hungarian forint. Today he says the steps being taken to bring Hungary's price system up to international levels are a move in the direction of eventual convertibility.

At present Hungary has a commercial and a tourist rate for the forint. Mr. Fekete says the aim is to achieve a uniform rate. When this is done, he notes, "convertibility will become timely."

This would not mean Hungarians could go to the bank and buy hard currency freely. It would be a "restricted external convertibility within the framework of export and import licences," says Mr. Fekete.

When Hungary's new economic mechanism was launched in 1968—the year the Czechoslovak experiment was crushed—it was regarded with considerable suspicion by the Soviet Union and East Germany. Hungarians today, however, can point to the fact that, unlike other East European countries, there is no second dollar or Deutschmark economy operating within the Hungarian economy.

Hungary greatly reduced its foreign trade deficit with the West in the first eight months of this year. Western countries took 45 per cent of Hungary's exports over that time, when exports grew in value by 25.5 per cent. Imports from the West fell by 3.6 per cent, the cutback included Western cars.

A decree by the Council of Ministers even stipulates that state offices and companies must turn in their large Western automobiles for smaller Soviet models. But this has had little effect on the number of large Mercedes cars parked outside Government Ministries and companies.

Hungarians take this for granted, just as they do the availability at a price of East German typewriters throughout Hungary, while they are unobtainable in East Germany.

EFTA growth forecast at 3%

By Brij Khindaria in Geneva

MEMBER COUNTRIES of the European Free Trade Area (EFTA) are likely to achieve an annual economic growth rate of about 3 per cent next year compared to an average rate of about 2 per cent for members of the European Community. This year, the EFTA members — Switzerland, Austria, Sweden, Portugal, Norway, Finland and Iceland — will achieve an average 4 per cent growth compared with a 3 per cent rate elsewhere in Europe.

EFTA's economic committee expressed "major concern" at the high level of unemployment in Portugal. Full employment has been maintained this year only in Iceland and Switzerland.

Iceland has been badly hit by inflation fed by higher oil prices, says the committee, and should follow a cautious policy of managing demand to curb inflation.

Police murdered as general strike begins in Italy

BY RUPERT CORNWELL IN ROME

AN OUTBREAK of political killings overshadowed yesterday's general strike in Italy, involving some 13m workers and aimed at securing concessions from the fragile minority government of Sig. Francesco Cossiga.

Before the morning of industrial protest had begun, a group of four gunmen shot dead two officers of the paramilitary Carabinieri in Genoa. Responsibility was later claimed by a terrorist organisation linked to the ultra-left Red Brigades movement, which assassinated a trade union official in the city in January.

The deaths of Vittorio Battaglini and Mario Tosa brings to 36 the number of Carabinieri and regular police officers killed on duty in Italy this year. In nine cases, political terrorists have been responsible.

Yesterday's strike by the major unions, which opens a period of intense labour agitation in the country, was specifically aimed at forcing the Government to give ground on their demands. These include improved welfare benefits, higher pensions, tax reform, and consultations before any increase in public utility tariffs.

So far, Sig. Cossiga has avoided serious discussions on these issues, which would inevitably add to the L40,000bn (£22bn) public sector deficit already forecast for 1980. However the frustration and anger of union leaders has increased as a result.

The extent to which the strike call has been followed was not immediately clear. But the turnout will be a significant indicator of the current standing of the unions, shaken by the recent sacking by Fiat of 61 alleged shopfloor troublemakers, and the attack upon the unions by Sig. Giorgio Amendola, the Communist party elder statesman.

Sig. Cossiga, meanwhile, under heavy fire from both sides of industry for his reputed lack of action to tackle Italy's mounting economic difficulties, today begins a round of consultations with the parties directly or indirectly supporting his Government.

It is hoped that these discussions, likely to last until Saturday, will help iron out a number of difficulties between the parties which have contributed to the disturbed political climate.

These range from the row about the large commission paid by ENI, the state oil group, in connection with last summer's oil deal with Saudi Arabia, to pensions reform and general economic policy.

However, the main threat to the existence of Sig. Cossiga's three-month-old administration probably lies in the fierce jockeying for position within his own Christian Democrat party in the run-up to its congress, scheduled for January.

Frigg gas pipe leak found

A LEAK has been discovered in a sea-bed pipeline on the Anglo-Norwegian Frigg gas field, but production has not been affected.

The leak, in a 24-inch diameter line linking the main production complex with the field's flame tower, 600 metres away, will not be repaired until the summer. This is partly to avoid any break in gas deliveries to Britain during the peak consumption winter months, and partly because repair work would be easier during the summer.

Divers have located the cracks in the line, one of two leading to the flame tower. As long as the other line remains intact, full production can continue.

Norway's Oil Directorate has approved the decision to delay repairs until next summer. Elf, the operators on the field, say no gas has leaked out of the line but some water has entered it. The company could not say what had caused the cracks.

D-Mark holdings reach DM50bn

By David Marsh

HOLDINGS OF Deutsche Marks in the currency reserves of the world's central banks amount to at least DM 50bn, of which DM 20bn is deposited in West Germany and DM 30bn in foreign banking centres, according to figures published this week by the Bundesbank.

In an unusually detailed article in its latest monthly report on the D-Mark's role as a reserve currency, the Bundesbank says the D-Mark at the end of last year accounted for over 11.5 per cent of all currency reserves held by central banks other than itself.

The bank repeated its view that too strong an increase in the D-Mark's role as a reserve currency was undesirable from both the German and the international points of view. Because of the limited capacity of Germany's money and capital markets, the deposit and withdrawal of D-Mark reserves—or even their switching from one account to another—could put the functioning of these markets under constant strain, it said.

The increase in the D-Mark's reserve role in recent years has taken place partly because of the lessened reserve role of sterling, whose share of world-wide currency reserves had fallen to 2 per cent at the end of 1978, from over 10 per cent at the end of 1970. As a result of the increasing instability of the "natural" leading reserve currency, the dollar, and a growing foreign market for D-Mark deposits, it has become increasingly difficult for Germany to resist the building-up of D-Mark reserves, the Bundesbank says.

The Bundesbank itself could identify only DM 13.5bn of central bank deposits held in Germany; the DM 20bn figure stemmed from reports by central banks to the International Monetary Fund. The remaining DM 6.5bn mainly represented central bank holdings of German bond issues, and certain types of debt instruments issued by the banks.

Industrial countries—including the U.S., which has built up large D-Mark holdings this year as a result of its capital market and IMF borrowings—accounted for DM 8.9bn of the total in June 1979. Non-oil developing countries held DM 1.5bn, oil exporting states DM 13bn, and other countries and international institutions DM 1.7bn.

Kosygin reported to have had heart attack

BY DAVID SATTER IN MOSCOW

THE SOVIET Prime Minister, Mr. Alexei Kosygin, has suffered a heart attack and will be unable to work for several months, diplomats here reported yesterday.

The 75-year-old chief of the Soviet economy is understood to have been stricken three or four weeks ago. He is not expected to attend the meeting next week of the Supreme Soviet, the USSR's nominal parliament, where the 1980 annual economic plan and guidelines for the 1981-85 five-year plan are due to be announced.

The news of Mr. Kosygin's illness comes amid fresh reports that the next congress of the Soviet Communist Party in the autumn of 1980 may be held six months earlier than expected. This would make it possible for him to retire and for Mr. Brezhnev, the Soviet President, to give up some of his responsibilities to make way for a smooth transition of power on his death.

Soviet observers believe that the Kremlin leadership is preparing a contingency plan for major changes in the 13-man ruling Soviet politburo. They believe this has already been reflected in reports on possible future political line-ups which have appeared in the West.

Mr. Kosygin has not been seen in public for more than a month. The Soviet Press has reported that he was resting. Reports emerged some weeks later that he was ill but the nature of his illness was not explained.

His heart attack was also believed to be the second within the past three years. Mr. Kosygin was absent from public view for three months in 1976 during which time he was reported to have had an attack and nearly drowned while swimming.

He has steadily lost power and influence to Mr. Brezhnev since the two men took power in 1964 at the head of what was then called a "collective leadership." Despite the clear predominance of Mr. Brezhnev in all policy matters, however, Mr. Kosygin has remained the supreme manager of the economy and a man whose exceptional competence is thought to have made him irreplaceable.

Mr. Kosygin is believed to have tried to retire on several occasions and, according to one unconfirmed report, was once told by Mr. Brezhnev that since they had come in together they would "go out together."

If the next Soviet party congress is held six months early it will put extra pressure on Soviet planners trying to finish drawing up the 1981-85 five-year plan, particularly since the goals of the 1976-80 plan are not going to be met.

Should Mr. Kosygin retire, the two people considered most likely to succeed him are Marshal Dimitri Ustinov, the Defence Minister, who has extensive experience in running defence industries, and Mr. Mikhail Solomentsev, prime minister of the Russian republic.

Soviet sources said that Mr. Nikolai Tikhonov, the present first Deputy Prime Minister and a known protege of Mr. Brezhnev, would, at 74, probably be too old to succeed Mr. Kosygin.

The Soviet sources said that changes in the leadership affecting Mr. Brezhnev, whose health is also failing, all presuppose that he would continue to serve as Soviet President and that another person would take over responsibility for running the affairs of the party under his direction.

Mr. Kosygin: unable to work for several months.

Gromyko in Bonn to press arms campaign

BY ROGER BOYES IN BONN

THE SOVIET Foreign Minister, Mr. Andrei Gromyko, yesterday began talks in Bonn which will include the NATO proposal to modernise its theatre nuclear forces in Europe. This issue has been clouding relations between West Germany and Moscow for the past two months.

The three-day discussions are also expected to range over the Iranian crisis, West German-Chinese relations in the wake of Chairman Hua's visit and the general state of East-West detente. They will be particularly delicate for Herr Hans-Dietrich Genscher, Mr. Gromyko's West German counterpart.

He has been accused repeatedly by the Soviet Press of ignoring the offer to withdraw troops and limit missiles made in October by President Leonid Brezhnev, the Soviet leader. Bonn sent a formal reply last weekend emphasising West German interest in arms negotiations with Moscow.

Herr Genscher has stressed that Bonn places equal importance on modernising NATO's theatre nuclear forces in Europe—to counter-balance the growing Soviet missile strength—and on opening negotiations with Moscow on limiting these forces. The Soviet Union, however, has been especially angered by Herr Genscher's call for a freeze in the construction and deployment of Soviet medium-range weaponry while negotiations are being held.

Mr. Gromyko's visit is not expected to lead to a sudden reversal of policies by either side. The Bonn coalition is firmly committed to modernisation. It continues to insist, though, that it must not be the only non-nuclear European power to have the new weapons on its soil and that the U.S. must have operational control over them.

These conditions are intended to re-assure Moscow that West Germany has no intention of becoming a nuclear power in its own right and that it does not intend to change its *ostpolitik*.

West German politicians, including Herr Helmut Kohl, leader of the opposition Christian Democratic Union, believe that Mr. Gromyko's visit can take some of the sting out of Moscow's propaganda campaign against modernising NATO's missiles. The recent meeting of the alliance's Nuclear Planning Group in The Hague should, in the view of both the Government and opposition, have demonstrated to Moscow that NATO is determined to go ahead despite the barrage of Soviet criticism.

Dutch to seek PLO contacts

By Charles Batchelor in Amsterdam

The Netherlands may extend unofficial contacts with the Palestine Liberation Organisation following MPs' almost unanimous approval of an Opposition motion urging the Government to stop avoiding such contacts.

Foreign Minister Mr. Chris Van Der Klaauw said the Government would comply with the wishes of Parliament but added that it must be left to him to see exactly how links should be developed.

There is already "incidental unofficial contact" between Dutch diplomats in the Middle East and PLO representatives.

A Foreign Ministry official stressed that there would be no change in the Dutch refusal to recognise the PLO until it dropped its aim to destroy the State of Israel.

The Parliamentary vote reflects a growin gdemand in the Netherlands for closer control with Palestinian organisations after 30 years of unquestioning support for Israel. The Government has refused, however, to move from the general EEC policy of supporting UN Security Council resolutions on Palestine. ...

Hopes for end to French labour disputes

BY DAVID WHITE IN PARIS

THE TENSION in two long-running French labour conflicts eased yesterday as both the government-employed air traffic controllers and engineering workers staging a sit-in in eastern France came within sight of settlement

Air controllers, who have been imposing periodic bans on take-off clearances for more than three weeks, suspended thir action yesterday as union leaders held their first talks with civil aviation authorities.

On Tuesday, the strikers resumed their action after failing to persuade the Government to come up with specific offers. But they agreed to a meeting after M. Joel le Theule, the Transport Minister, promised negotiations if they returned to "legality."

The meeting, dealing principally with working conditions, was taking place yesterday evening. Controllers are due to decide today whether or not to continue their industrial action.

At the Alsthom-Atlantique engineering plant at Belfort, which has been occupied by strikers for the past eight weeks, the management gave its reluctant consent to a compromise plan put forward by the Government's mediator.

The proposals represent a watered-down version of the strikers' claims. They include a new wage floor of FFrs2,650 (£294) a month, the gradual implementation of one month's bonus pay and extra holiday entitlement for long service.

The company said the proposals and their implications went beyond what it believed to be acceptable if it was to balance its operating results and guarantee jobs in the future. But since the recommendations had been made at government level it felt obliged to accept them

OVERSEAS NEWS

Pakistani mob storms U.S. embassy

BY OUR FOREIGN STAFF

SCREAMING CROWDS of moslem students yesterday stormed the U.S. embassy in the Pakistan capital Islamabad, setting the building, the American flag and several vehicles on fire and leaving one marine dead.

Pakistani army helicopters landed troops on the embassy roof and rescued about 100 staff trapped in a strongroom inside the building. At one point in the drama the besieging crowd was put at *tens of thousands.*

The incident, which coincided with the seizure of the Grand Mosque of Islam in Mecca, was duplicated in less violent form in at least three other Pakistani cities where American buildings were also attacked. Details of other casualties were not available.

The attacks were being attributed last night to anti-American feeling in Pakistan inflamed by the Mecca incident. The Pakistani military government of General Zai-ul Haq was at pains to stress that the attacks were not officially backed, but diplomats were puzzled why a rescue effort took so long to launch.

According to a spokesman in Washington, General Zia told Mr. Cyrus Vance, the U.S. Secretary of State, that the embassy attack was sparked by agents provacateurs in Pakistan. The attack itself lasted six hours, with crowds swelling as the news spread.

An American school and bank were also attacked in the capital. In the nearby army garrison town of Rawalpindi crowds burned the American Center and sacked the British Council Library. Incidents were also reported near the U.S. consulates in Lahore, Karachi and Peshawar.

The UK Ambassador to Pakistan is understood to have interceded with General Zia on behalf of the trapped Americans in Islamabad. He protested strongly to the military ruler, according to the Foreign Office in London.

The trouble began when busloads of students drove up to the modern embassy buildings chanting anti-American slogans. They were driven off by security guards, and recruited reinforcements from the nearby Quaid-i-Azam university.

When they returned they overpowered the guards at the gate, set fire to cars and other vehicles in the compound, tore down the *flag and* stormed the embassy. The staff, put at 100, sought refuge in a third floor strongroom.

General Zia broadcast to the nation about the incident last night. He appealed for calm, and said the seizure of the grand mosque in Mecca "had nothing to do with the Western world."

Iranians threaten hostages

By Simon Henderson in Tehran

IRANIAN STUDENTS holding 49 American hostages threatened to kill them yesterday if United States used force in a rescue attempt. In an interview with American television one of the leaders of the students said that if the U.S. did use force they would kill all the American citizens left in Iran.

The threat came as possibly 1m people demanding the extradition of the ailing Shah of Iran from the U.S. marched to the occupied embassy in one of the biggest anti-American demonstrations held there.

The hard tone of the Iranian students seemed to reflect the tremendous increase in tension there has been following the attack on the Grand Mosque in Mecca and the destruction of the American Embassy in Islamabad.

A communique also issued by the students took a slightly different but equally hard line. It said that if the U.S. used force they would kill the hostages, destroy the embassy, and all the Americans in Iran would be in danger.

Ayatollah Khomeini, Iran's religious leader and effective head of the Shi'ite Moslem sect, yesterday condemned the attack on the Mosque in Mecca, declaring it to be the work of American imperialism.

The news broke in the early morning in Tehran as marches planned to show solidarity with Ayatollah Khomeini's anti-American campaign were starting. Banners and shouted slogans ignored the Mecca incident.

The day's events celebrated the start of the Moslem Mourning month of Moharram which this year also marks the beginning of the 15th century in the Islamic calendar. The marchers, including many family groups, congregated at the American Embassy, filling all the surrounding streets.

● Reuter adds from Washington: A Soviet-based radio station broadcasting to Iran yesterday for the first time urged the release of the U.S. hostages, according to a report monitored in Washington.

The National Voice of Iran, which broadcasts from Baku in Soviet Azerbaijan, said release of the hostages had become vital for humanitarian and political reasons.

Japan worried over oil from U.S. majors

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN IS "very worried" that major U.S. oil companies may cut its oil supplies after President Carter's ban on U.S. oil imports from Iran.

The U.S. majors were buying about 700,000 barrels a day (b/d) from Iran before the ban, of which about 50,000 b/d (equivalent to 1 per cent of Japan's imports) was being shipped to Japan.

The majors are certain to cut their supplies to Japan by at least this amount. The cuts will in all probability be larger, since the American companies will have to divert to the U.S. non-Iranian oil which was previously sold to Japan.

Japan now depends on the international majors for about 50 per cent of its oil imports, but the ratio is certain to fall during the first quarter of next year—normally the heaviest oil importing season.

Before the U.S. ban, Japan was expecting a cut of 230,000 b/d (from 640,000 b/d to 410,000 b/d) in the amount of oil imported from the majors under "third party" contracts during the first quarter of next year.

The reduction in third party shipments (meaning oil shipped to Japanese companies which are not affiliated to the majors) will now certainly be larger.

Japan imported slightly more oil during the six months from April to September than in the same period last year.

Its imports in the present quarter are likely to be marginally down on those of a year ago, but guesses about the import prospects for January-March vary wildly. Much depends on how much oil Japan will be prepared to buy on the spot market during this period, and on how much it will pay for spot oil.

Spot purchases account for about 11 per cent of total crude oil imports, and Japanese buyers are under instructions from the Ministry of International Trade and Industry not to pay more than the going rate in the Rotterdam spot market.

It remains to be seen whether these guidelines can be adhered to in the next few months.

Japan originally hoped to import a total of 287.4m kilolitres of crude oil in its 1979 fiscal year (ending March 31, 1980), up from 271.2m kilolitres in 1978. In order to reach this target, imports during the January-March quarter would have to hit 83.3m kilolitres, an increase of about 10m kilolitres over the figure for the first quarter of this year. If, as seems likely, actual imports fall well short of this figure, Japan will run down its oil stocks rather than cut back severely on consumption.

Carter raises temperature of the Iran crisis

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

PRESIDENT CARTER has deliberately raised the temperature of the crisis in U.S.-Iranian relations. He has reminded Ayatollah Ruhollah Khomeini that the U.S., for all its persistent and protracted diplomatic efforts to free the hostages in Tehran, could also have recourse to military action.

This is a marked shift. Mr. Carter has prided himself—and mentioned in almost every pre-election speech—that no American has so far died in combat abroad during his presidency. But the Administration feels itself intolerably provoked by the Ayatollah's explicit threat to put the U.S. diplomats on trial for espionage, in contravention of all diplomatic and legal norms.

Indeed the President, with an eye to what is legally permissible, was careful to point out that the United Nations Charter condones armed action in self-defence.

The Administration certainly appears convinced that it has "nearly universal" public opinion on its side in its confrontation with the Khomeini *régime*. The mainstream of domestic opinion has, for now, put aside political rivalries and rallied behind the President's moves. The UN Security Council has also given support. Even the Soviet Union, in its radio broadcasts beamed to Iran, has begun urging the students at the Tehran embassy to let the hostages go for humanitarian and diplomatic reasons.

It might even be tempting for the President to conclude—particularly since the attempted violent seizure of the Grand Mosque in Mecca by extremists—that the Shiite theocracy in Iran has now become so alienated from the large community of rational governments, and is posing such a large threat to the economic wellbeing of both the industrialised and developing world, that the world might at least condone American use of military force against Iran.

However, in this constant, bitter game of poker, being played under improvised and ever-changing rules, the President is clearly aware of the great risks inherent in the use of force. In the first place, few military analysts believe a quick, surgical operation could be launched to rescue the hostages. Their lives would almost certainly be forfeit—with or without the benefit of an Islamic "trial," were the U.S. to take the military option.

Secondly, there is great sensitivity in Washington to the impact this could have on the allies. So far, such support as has been forthcoming from the NATO allies and Japan has been informal. So far, the U.S. Government has not asked for more than this—partly because it has not felt it to be necessary so far, and partly because there are doubts over the allies' willingness to comply. It goes without saying that the tacit current support from the Third World would be severely tested by U.S. military action against Iran.

On the other hand, the events of yesterday may reinforce aggressive U.S. tendencies. Both Pakistan and Saudi Arabia have apparently used their own armed forces to squash takeovers related to the U.S.-Iranian crisis.

There remains no doubt that the preferred U.S. solution is the peaceful one, and that such sanctions as it may additionally seek to employ—trade embargoes, the expulsion of Iran from the United Nations and so on—are more likely to be supported by the world community than the military option.

The U.S. deeply believes it has right on its side, because the Iranian regime has completely broken the traditions of diplomatic convention by, uniquely, backing the seizure of the embassy and its personnel. This, the Administration contends, is an absolute breach of all known standards of behaviour, beside which the decision to admit the deposed Shah for medical treatment pales in comparison. The U.S. would undoubtedly like to be rid of the Shah—and probably regrets it ever listened to the exhortations of Dr. Henry Kissinger and Mr. David Rockefeller to admit him—but that is deemed an entirely secondary issue.

It must also be pointed out that the U.S. does run the risk of some embarrassment if the Ayatollah's regime were to proceed with the trials of the diplomats for espionage. It is obvious that some members of the embassy in Tehran were engaged in intelligence work (the same is true, probably, of the diplomatic offices of most other major powers in Tehran), and likely that not all sensitive documents were destroyed before the mob took complete control. Production of documentary evidence in an Islamic court is something the U.S. would prefer to avoid.

Not that there was much that could have been done about it. The tiny contingent of U.S. Marines which guard overseas embassies is not empowered to do anything other than buy a little time for embassy staff to destroy incriminating evidence. They are supposed to buy time until domestic police forces, obliged to protect foreign representatives, restore order. That seems to have happened in Islamabad—but not in Tehran.

Agreement reached at Tunis summit

By Roger Matthews in Baghdad

A CLASSIC compromise which allowed both radicals and moderates to reach a broad minimum level of agreement on overall Middle East policy was reached at the Arab summit meeting here in Tunis yesterday.

Conference officials stressed, however, that the moderates *would not be able to hold* their position for much longer without real progress being achieved on the Palestinian issue.

The main points of the agreements were:

● A reaffirmation of the Baghdad summit agreements a year ago, imposing a political and economic boycott on Egypt.

● A decision to call for the Palestinian question to be brought again before the General Assembly of the United Nations.

● Agreement to hold a special Arab economic summit next year which would consider relations with the Western world, in the light of support offered in reaching a just and comprehensive Middle East peace. The role of Western Europe would be closely watched, while Africa and the U.S. would form separate categories.

The first and third points reflect the views of the more radical countries, such as Iraq and Syria, while the second point is a result of the more moderate States like Saudi Arabia and Jordan demanding an opportunity to test a fresh diplomatic initiative which could be seen as an alternative to the Egyptian-Israeli peace treaty.

Delegates from several countries also reported a more widespread and deeper hostility to the U.S. role in the region as a result of the Camp David agreements and the failure of Washington to exercise effective pressure on Israel.

Israeli army clears settlers

By David Lennon in Tel Aviv

THE Israeli army yesterday cleared Jewish settlers from part of the land occupied by the Elon Moreh settlement near Nablus on the occupied West Bank.

There was no resistance from the 17 families who moved on to the hilltop in June, but they have not yet decided whether to comply with a Government order to quit the rest of the site within six weeks.

The plots of land have now reverted to their Arab owners, who won a court appeal last month against the requisition of their land for the Jewish settlement.

● Israel's trade union federation, the Histadrut, is to call a one-day warning strike as the opening shot in its battle against tough new economic measures introduced by the Government this week.

West Bank water—Page 18

ISRAEL ADJUSTS TO THE REALITIES OF ITS TREATY WITH EGYPT

Why peace brings as many problems as war

BY DAVID LENNON IN TEL AVIV

IT USED to be said in Israel that if the Arabs had any sense they would make peace and then watch Israel destroy itself from within as the social tensions suppressed by the threat of war broke into the open. Two years after President Sadat's peace initiative, that glib forecast seems to be acquiring a partial ring of truth.

Having made peace with their largest and militarily most dangerous neighbour and reduced the fear of annihilation, the Israelis are despondent and confused about the future of their country. Instead of bringing the millennium, the long-awaited peace appears to have opened a Pandora's box of problems.

Peace with the rest of the Arab world still appears remote, the Palestinian issue is looming larger than ever and relations with the U.S. are acutely strained. In addition the economy is in trouble, the national consensus on key issues has given way to polarisation and a divided government is staggering from crisis to crisis.

President Sadat's dramatic visit to Jerusalem cannot be blamed for all these troubles. But it played a major role in the development or accentuation of some of them.

The peace treaty signed six months ago has meant some painful concessions for the Israelis, who were conditioned for 12 years to believe that territory meant security and that Jewish settlements in Sinai were a guarantee of retaining that land.

Now the territory is being given up and the settlements are being dismantled, but the tangible evidence that the peace is real will only be evident next year once relations are fully normalised. When the Egyptian flag flies over Cairo's embassy in Tel Aviv, and flights leave Ben Gurion airport direct for Cairo, and Israelis can hop into their cars and drive to Egypt, then people will feel the peace is real. At present they are in a limbo, where concessions are being made for written and verbal assurances.

While the circle of Arab hostility may have been broken by Egypt, the Israelis are only too well aware that the man who took that courageous step is vilified in the Arab world, and that Arab hostility towards Israel is as strong as ever.

This continuing hostility and the threat of another war in the region may well have helped prevent the complete fulfilment of the gloomy forecasts of national disintegration in an atmosphere of peace. In case anyone thought hostilities were at an end, the recent pinprick Palestinian attacks have reminded them that there is still a great deal of unfinished business.

But for all the Arab complaints against President Sadat's bilateral peace agreement with Israel, he has undoubtedly brought the Palestinian issue, which is the key to the Arab-Israeli dispute, to the centre of the stage. Israel is being forced to face up to the one issue which for the past three decades it tried to avoid or at most regarded as a refugee problem. The country is now struggling with the issue and finding it a painful and confusing business.

The Government of Mr. Menahem Begin, whose position encouraged public approval for the peace treaty with Egypt, now appears particularly unsuited to the task of resolving the Palestinian issue. His Government is frankly expansionist with regard to the occupied West Bank and Gaza Strip, which it regards as part of the biblical land of Israel.

In the face of mounting international criticism it has pushed ahead with the establishment of Jewish settlements in the occupied territories. And it continues to allow a Messianic fringe group, Gush Emunim, to lead the settlement rush.

The intensified urge to settle is driven by a fear that this option will soon be closed off. The ultra-nationalists inside and outside the Government fear that at the end of the one-year period set in the peace agreement for negotiations on Palestinian autonomy Israel will no longer have a free rein in building settlements in the territories.

For the majority of Israelis the settlement scramble seems overdone at best and a threat to the prospects of peace at worst. They see it driving the country's major ally, the U.S., into repeated condemnations, and eroding Western public support for Israel. They also wonder how long Egyptians will negotiate on autonomy in the face of provocations.

While the majority of Israelis are still steadfastly opposed to any negotiations with the Palestine Liberation Organisation (PLO), there is a growing awareness of the need to negotiate with some Palestinians. Yet it is felt that settlement and the rigid negotiating line taken by the Government in the autonomy talks serves to discourage even the most moderate Palestinians from joining the peace process.

Outside the Begin Administration there is also a growing acknowledgement that the Government's autonomy plan is not acceptable to anyone — even the U.S. Yet the unctuous Interior Minister, Dr. Yosef Burg, continues to declare that real progress is being made by his Israeli negotiating team.

While the Government tries to persuade a sceptical public at home and abroad that granting limited home rule to the Palestinians of the occupied territories will solve the problem, the country's main opposition party is offering its already-failed formula of handing the bulk of the territories back to the Jordanians.

Mr. Menahem Begin . . . his Government appears particularly unsuited to resolving the Palestinian issue.

Few people believe this will work either, especially as King Hussein has turned it down in the past. Various other ideas have been suggested, but all stop well short of the Palestinians' minimum demands.

In the absence of a suitable solution, the Israelis are witnessing the continuing diplomatic triumphs of the PLO on the international stage. They are disturbed by the knowledge that if Israel does not change its line the autonomy talks will collapse completely and Western pressure for more Israeli concessions will intensify.

The effect this is having on the Palestinians living in the occupied areas has been amply demonstrated in the past few weeks with massive protests in the West Bank and Gaza over the plan to deport the nationalist Mayor of Nablus, Mr. Bassam Shaka.

Matters have not been improved by a Government whose ailing leader has appeared incapable of restoring order in its ranks. Mr. Begin took months to replace his failed Minister of Finance, he has been unable to stop public squabbling among his Ministers, and he is apparently unwilling—on ideological grounds—to limit Gush Emunim's settlement activities.

Adding to these troubles is the resurgence of antagonism between religious and secular elements of Israeli society. Throughout the summer pitched battles regularly occurred between religious and secular elements in Jerusalem. Only a few days ago a tied vote in the Knesset obstructed a controversial amendment to the abortion law which would have further exacerbated the strains between the religious minority and secular majority.

But the biggest cause of national discontent remains the state of the economy. For the man in the street it is the impact of the threatened annual inflation rate of 130 per cent which causes most concern. For the businessman and economists the expected \$1bn rise in the balance of payments deficit to a record \$4.5bn is causing acute anxiety.

Defence remains the biggest drain on the national economy. One of the fruits of peace should be a reduction in the defence expenditure. But the immediate consequences of the treaty with Egypt is an increase in defence spending.

Billions of dollars are being poured into redeploying the military from the Sinai into the Negev Desert of southern Israel. New air bases and army camps are being hurriedly constructed at enormous cost, and Israeli taxpayers will have to foot most of the bill, despite American generosity.

Only some years hence, when the sincerity of Egypt's desire for peace is truly believed, will Israel be able to reduce defence spending. And even then it will remain high unless an accommodation is reached on the Palestinian issue and with Israel's other neighbours.

Adding to these national worries is a genuine concern about the viability of the American guarantees of the peace accord with Egypt. A few weeks ago these were succinctly blurted out by Mr. Ezer Weizman, the Defence Minister, late at night at a party in Washington.

During a discussion with Mr. Harold Saunders, a senior American diplomat, the Defence Minister — apparently angered by Saunders' remark — snapped that the Americans who had lost Iran, Afghanistan and Ethiopia were in no position to advise Israel on policy. Apologies were made afterwards, but the message was clear.

Israel is going through changing times when new attitudes are required. Hope is mixed with fear, and the uncertainty of the future is bringing out the tensions within a society which has ignored many of its internal problems because of the danger from without.

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Botha seeks backing from S. African big business

BY QUENTIN PEEL IN JOHANNESBURG

MR. P. W. BOTHA, the South African Prime Minister, is today launching the biggest effort of his Administration to win the backing of the private sector for his "total strategy" for South African survival, and the creation of a "constellation of states" in the region.

He has called more than 300 leading businessmen and industrialists to a top-level conference in Johannesburg with the entire Cabinet and Civil Service Department heads. The chairmen and chief executives of all major mining houses, banks, financial institutions and industrial companies are expected to attend.

Reason for the meeting is to launch Mr. Botha's idea for a constellation of states, based on a common economic interest, but the whole area of relations between the private and public sectors and the Government's commitment of the reduction of State interference in the economy is likely to be discussed.

Mr. Botha believes the private sector can help promote the constellation idea through business contacts in neighbouring states. He also wants greater commitment from business leaders to invest in the South African tribal homelands, which are supposed to form part of the proposed alliance.

Already top businessmen have been appointed to investigate a streamlining of the Civil Service, of which details may be announced today. Mr. Botha stresses the identity of interest between government and big business in South Africa, in their common need for sustained economic growth and a skilled labour force.

Virtually all South Africa's neighbouring black states have expressed opposition to an alliance with the white South, apart from her obvious allies of Namibia (South West Africa), Bishop Abel Muzorewa's Government in Zimbabwe-Rhodesia, and the independent homelands — Transkei, Bopbuthatswana and Venda.

Mr. Botha will have to portray the constellation as politically neutral if he is to win wider support and persuade the private sector of his genuine commitment to streamline the bureaucracy and cut state involvement in the economy.

At the same time he must persuade his audience to do the Government's job — mainly investment in the impoverished tribal areas — and depends on greater confidence in his political strategy.

Mr. Botha's managerial style of Government since he became Prime Minister last year, and the fact that he is seeking advice from outside the immediate circles of the ruling National Party, have won him business support, although he has yet to make significant inroads on black suspicions.

● About 700 black workers at the Ford Cortina assembly plant in Port Elizabeth downed tools yesterday following a similar stoppage by more than 900 men at the nearby General Tyre factory.

The Ford strikers were immediately dismissed and the General Tyre workers have been warned that they will be replaced if they do not return.

The stoppages are the culmination of three weeks growing unrest at the Ford plant following the dismissal of a leading black activist, Mr. Thozamile Botha, though he was later reinstated.

Moslem support for Mrs. Gandhi

BY OUR NEW DELHI CORRESPONDENT

MRS. GANDHI's electoral hopes received a significant boost yesterday with indications that she would get substantial Moslem support in Northern India.

The Imam (head priest) of the Jama Masjid in Delhi, Syed Abdulla Bukhari, the most influential Moslem leader in Delhi and the key state of Uttar Pradesh, announced his support for her. This follows the recent decision by Mr. H. N. Bahuguna, a former cabinet minister in the Janata government, who also has a strong Moslem following in the state, to join her party.

Uttar Pradesh has 85 seats in a parliament out of 542 seats.

The backing of the Imam is also likely to help Mrs. Gandhi a great deal, because he can issue a decree to Moslem voters of Delhi. The mosque over which he presides is the centre of Moslem localities where during the emergency, under the orders of Mr. Sanjay Gandhi, the son of the then Prime Minister, thousands of people were compulsorily sterilised and their huts were demolished as part of the city renewal scheme.

The Imam said at his Press conference that Mrs. Gandhi had promised him that she would not "repeat the mistake committed during the emergency.

Trudeau resigns as Liberal Party leader

BY W. L. LUETKENS

MR. PIERRE TRUDEAU, ousted as Canadian Prime Minister in May, said yesterday that he is giving up the leadership of the Liberal Party next March.

His political position has been in doubt ever since, a year ago, his party suffered a series of reverses in by-elections, foreshadowing its defeat at the general election held on May 22 last. Ironically, the Progressive Conservative Government under Mr. Joe Clark, which was then returned to power, has just been beaten in two by-elections, costing it one seat in the House of Commons.

Mr. Trudeau became leader of the Liberals in 1968, succeeding the then Prime Minister, Mr. Lester B. Pearson. Mr. Pearson's purpose in calling him to Ottawa as Minister of Justice three years before was to find a man who might hold together a country where tension was rising between a 20 per cent minority of French speakers and the English-speaking majority.

Mr. Trudeau, who became Prime Minister in 1968, devised a policy of bilingualism which annoyed the English without pleasing the French. The return of an independence-minded Parti quebecois Goverment in Quebec in November 1976 showed the failure of this policy.

Even before, Mr. Trudeau had alienated much of the party leadership by introducing an incomes policy, though he had campaigned against the idea in the general election of 1974.

At that time he lost the services of Mr. John Turner, his Minister of Finance, an Oxford-educated lawyer who has ever since been named as a likely alternative leader of the Liberals. The decision, however, will rest with a party convention to be called for the purpose.

Mr. Turner's exit from the Cabinet in 1976 was only the beginning of a veritable procession, most of the outstanding party figures retired from the Cabinet in the closing Trudeau years.

Even before the elections of May there was talk that Mr. Trudeau might go. After losing his majority to the Tories, Mr. Trudeau, in his usual forthright language, announced that he thought he would make a "damned good opposition leader."

The fact, however, is that his performance in that role has been patchy, varying between inactivity and aggressiveness. It is in any case doubtful whether the Liberals have much interest in bringing down the Clark Government before they have sorted out their leadership problems.

In his early Ottawa years, Mr. Trudeau personified the arrival of Canada, previously an extremely provincial country, in an age of relaxed standards, but also of awakening social consciences. His occasional way of sliding down bannisters in public symbolised one side of this phenomenon; the welfare state built up under his Prime Ministership the other.

But neither characteristic fitted into the cold economic climate of the later 1970s, when budget deficits appeared to worry voters more than unemployment. The Canadian west, especially, which is bored with the French problem, turned its back on Mr. Trudeau.

Brazilian Congress to vote on reform Bill

BY OUR FOREIGN STAFF

THE GOVERNMENT of General Joao Figueiredo has called on the Brazilian Congress to vote on a major reform aimed at creating new political parties and ending the artificial two-party system introduced in 1965, a year after the military seized power.

The 67 senators and 420 congressmen are to vote today on the Bill to abolish the pro-government ARENA or National Alliance for Renewal and the opposition MDB or Brazilian Democratic Movement.

The government hopes that its supporters will continue to maintain unity in some new Right-wing organisation, while the former MDB splits into a number of groupings, some more cautious, others more radical, thus allowing the Government to maintain a Parliamentary majority.

Sig. Luiz Inácio da Silva, the Sao Paulo labour leader, has already signified his desire to start a Workers' Party, which would represent the interests of unionised labour.

Sr. Leonel Brizola, the opposition leader from Rio Grande do Sul, who recently returned from more than a decade in exile, has announced that he is reviving the Partido Trabalhista, or Labour Party.

Many opposition leaders, however, are keen to maintain maximum co-ordination among themselves, the better to challenge the Government. They see the Government move less as a measure of liberalisation and more as a means of neutralising growing popular dissatisfaction with the authorities.

Congress in move to cut consumer body's power

By Jurek Martin in Washington

THE U.S. Congress appears to have embarked on an irrevocable course to cut substantially the enforcement powers of the Federal Trade Commission (FTC), the indepedent federal agency which, increasingly in recent years, has emerged as a champion of consumer causes.

The latest manifestation of this trend, which reflects public disillusionment with the federal bureaucracy, occurred on Tuesday when the Senate Commerce Committee voted overwhelmingly to prevent the Commission from imposing regulations on a number of industries.

These include insurance, used car dealerships, television advertising (especially that directed at children), and private industry groups which set their own professional standards.

Two weeks ago, the full House of Representatives voted to prohibit the FTC from investigating the funeral industry, while members of the Senate Commerce Committee also expressed sympathy for the notion of limiting the agency's powers to order divestitures in anti-trust suits.

On top of this the FTC's budget for the current fiscal year could be severely trimmed. Previously the Senate has thwarted House attempts to curb the FTC in this way. But the mood of the Senate, as witnessed by the Commerce Committee's recommendations, appears to have shifted radically.

Consumer advocates view this whole process with unalloyed dismay. Mr. Mark Green, an associate of Mr. Ralph Nader, complained that the Senate Committee wanted to destroy consumerism "by the death of a thousand cuts."

Not long ago the FTC was one of Washington's more moribund agencies. But once it acquired, in 1973, the power to enforce standards on whole industries rather than specific companies it took on a new lease of life.

The agency has become even more vigorous over the past two years under its present chairman, Mr. Michael Pertschuk. He strongly believes his mandate is to protect consumers as well as small companies against the pressures exerted by the more powerful.

The FTC shares responsibility principally with the Justice Department, for enforcing U.S. anti-trust laws. Perhaps its most controversial and as yet unresolved action has been against alleged domination of the breakfast cereals market by four companies.

The groundswell against what is seen by politicians as the FTC's overly aggressive and intrusive use of its powers has been building for some time. In 1979, the year before elections, there is hardly a politician in the land who feels it profitable to be seen publicly defending any federal agency.

Lost in the current debate is the widely-held view that the FTC has promulgated a number of measures which have properly protected the consumer. In both the used car and funeral fields, for example, there has been ample documented evidence of fraudulent practice.

But special interest groups representing commercial sectors have been adept at exploiting the mood of Congress by pointing to instances where federal regulation has impaired efficiency and needlessly raised costs. At the moment they have the undisputed upper hand.

Against the prevailing tide, the Senate Judiciary Committee this week ironically sent out a Bill sponsored by Senator Edward Kennedy which would limit the freedom of the oil companies to make non-energy acquisitions. Most observers feel, however, feel that the Bill will not be approved by both Houses of Congress when it comes up next year.

Latin-American debt worries Euro bankers

BY BRIJ KHINDARIA IN MONTREUX

CONCERN is growing among the European banking community over the mounting indebtedness of Latin American countries, despite the dynamic growth of manufacturing industries in those countries.

Latin America's foreign debt totalled more than \$100bn at the end of 1978 and is increasing because of ambitious economic development plans in the region's larger countries.

Mr. Gordon McClure, vice-president of the International Finance Corporation, told a symposium on co-operation between European and Latin American businessmen that Eurocurrency borrowing by Latin America has increased from \$6bn in 1974 to \$20bn last year.

Latin American countries absorbed about a quarter of all Eurocurrency credits. Four countries—Mexico, Brazil, Venezuela and Argentina—took about 85 per cent of the total for Latin America, although they account for only three-quarters of the area's gross national product.

The smaller Latin American countries have little access to European financial markets but get more official development assistance from the Organisation for Economic Co-operation and Development (OECD).

The region received about 40 per cent of the \$11.4bn placed by private OECD investors in developing countries. Of this about \$1.4bn., or about a third of the Latin American total, came from Europe.

Latin American countries remain high on the European banks' list of credit-worthy developing countries, however, and loans are not being withheld.

"Political stability and peace and order are the main considerations in our decisions to handle credits for Latin American countries," a German banker said.

West Germany is trying to persuade Venezuela and Ecuador, the Latin American members of the Organisation of the Petroleum Exporting Countries (OPEC) to act as intermediaries between Western Oil consumers and the more radical Arab oil exporters.

First soundings were made at a symposium on co-operation between Latin America and Europe attended by several Latin American ministers and Government officials as well as bankers and businessmen.

U.S. to increase aid to Caribbean

BY MOHAMED HAMALUDIN IN GEORGETOWN

THE UNITED STATES has apparently decided to pump more aid and investment into Caribbean countries as part of its response to the Leftist trend which has begun emerging throughout the area.

The past eight months have seen a succesful Left-wing coup in Grenada, a Leftist electoral victory in St. Lucia and the resignation of Dominica's premier under pressure from the Left. In addition the Left in newly-independent St. Vincent is anticipating victory in polls due early next year.

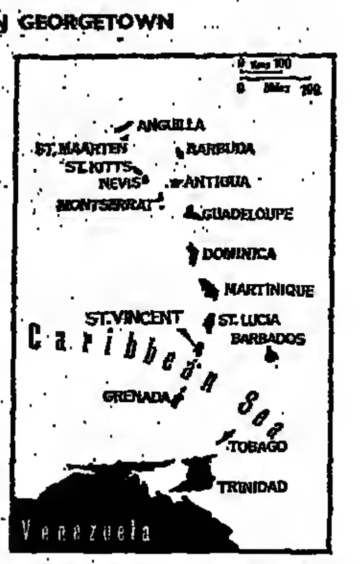
One sign of the changing U.S. policy is the importance Washington is attaching to a three-day conference in Miami at the end of this month on Caribbean trade, investment and development. It is hoped that President Jimmy Carter will give the keynote opening address.

At least four Caribbean heads of state are also expected to attend — from Jamaica, Barbados, Dominica and the Dominican Republic. So too will Mr. Philip C. Habib, the senior adviser to Mr. Cyrus Vance, the U.S. Secretary of State.

Caribbean governments feel that the U.S. has in the past taken the region too much for granted, to the point where Washington is not even sure how to go about boosting its ailing economies, many of which are already heavily dependent on foreign assistance.

The change in Washington parallels a more activist stance being taken in the region by Cuba. This month the Soviet Union's key ally in the Caribbean is despatching more than 1,000 extra technical personnel to neighbouring countries, including Nicaragua. Grenada's leader said at the weekend that 250 Cubans would be arriving to help build a new international airport. This followed a recent agreement with Dr. Castro.

Washington's increased aid, which is expected to come through both bilateral and multilateral channels, is seen as a carrot accompanying the stick of intensified U.S. military manoeuvres in the region. These were most noticeably stepped up following the recent scare over Soviet troops in Cuba, but they also aroused anger in Caribbean capitals.



This, as much as straightforward anti-American sentiment, has reinforced Caribbean antipathy towards Washington. Certainly Left-wing politicians feel that the aid the Americans offer comes on terms which are simply unacceptable.

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Acknowledgement to RSPB and Photographer Michael W. Richards

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ECGD claims payments exceed premium income

BY MARGARET HUGHES

CLAIMS PAID by the Export Credits Guarantee Department (ECGD) in the financial year to April, 1979, totalled £134m exceeding income from insurance premiums, the main source of ECGD revenue. This is the first time that claim payments have exceeded premium income which totalled £108m by any significant amount and was revealed in trading results for the year published yesterday. Total exports insured were £14.5bn, up 12.1 per cent on the previous year.

Of the total claims paid £84m arose from "political" losses such as debt rescheduling and transfer delays. This was a 49 per cent rise on the previous year. Claims resulting from buyer default or insolvency were up 33 per cent at £44m Total claims were up 42 per cent.

Payments to exporters doing business with Turkey accounted for about a third of the "political" claims, bringing the total paid out on Turkish claims to over £60m. Although ECGD no longer offers cover on exports to Turkey further claims are likely to have run over into the current financial year.

ECGD would not disclose which countries accounted for the remainder of the "political" claims, but they were almost certainly Zambia, Nigeria and the Sudan. Cover is still available

No claims were paid out on Iranian contracts. These claims have only come through in the current financial year. So far ECGD has met some 160 Iranian claims amounting to £30m with another £30m in the pipeline. ECGD's total exposure on Iran has been estimated at £900m indicating that total claims will amount to £100m at most.

Some 80 per cent of the claims paid out on Iran have been due to private buyer default, often because the buyer has "disappeared." Such defaults are the biggest problems for ECGD since claim payments on political losses are usually recovered in time.

The outlook for the current year is, therefore, far from encouraging. ECGD itself warns that "a continuation of the high level of claims of the past few years could put its accounts under strain." Clearly it is doing so already, given that claims exceeded premium income by £26m.

The ECGD did not actually make a loss since its total income, including interest earned on reserves, was £160m while recoveries on past claims were up 64 per cent at £43m.

Since it has to operate on a self-financing basis premium rates which are the main source of income, would have to be increased to offset any losses. Mr. Kenneth Taylor, head of ECGD said yesterday that no such decision had been taken yet but the situation was "under review." There seems little doubt that there will be some increases, possibly on a slective basis, with premiums raised on the less profit/loss making schemes.

Credit approval delays worry exporters

AT A TIME when the public spending axe is poised over Government departments there are increasing complaints from exporters over delays in the services provided by the Export Credits Guarantee Department (ECGD).

The delays which exporters complain of are mainly in the processing of credit limit applications, which exporters have to submit before they can pursue an export order if they want ECGD cover. But complaints over the length of time it takes ECGD to administer the bank guarantee schemes and to meet claims are also becoming more frequent.

By and large the hold-ups relate to smaller export deals. These account for some 80 per cent of ECGD business. ECGD admits that there have been delays but claims that the situation has improved considerably. Exporters, however, tell a different story. Credit applications in the more difficult markets, they say, are sometimes taking six months or more to be processed, while the more routine applications often take six to eight weeks rather than the expected 10 to 14 days.

Exporters and bankers, and to some extent the ECGD, attribute the delays to cumbersome administrative procedures and inadequate staffing. ECGD staffing levels have deteriorated over the past three to four years. This has been the result of a combination of civil service pay scales and the increasing opportunities open to ECGD trained staff in the more lucrative private sector.

ECGD claims that its main problems were in 1976 when it was having to cope with an upsurge in export business, while staffing levels were up to 10 per cent below what they should have been (ECGD employs about 2,000 persons.)

But exporters, while conceding that 1976 may have been a particularly difficult year, draw their comparisons between now and the early 1970s when the turnround in credit applications was far quicker. ECGD, for its part, concedes that there have again been increasing delays this year but attributes these to special circumstances which it now says are over.

At the beginning of the year ECGD suffered unprecedented industrial action associated with the civil service pay claim, though it says that the disruption was less than feared. Even so it is still being affected by industrial action in some of its regional offices, mainly over low staffing levels — and this is expected to be stepped up once the Government cuts are announced.

ECGD has also been hit by the the three-month recruitment ban which lasted until the end of August. And, according to the staff (union) side it is not intended to fill all the vacancies which existed before the ban. The recruitment which is taking place is being done on a casual basis. On top of these staff shortages ECGD will be subject to the cuts planned by the Goverment as part of its savings in public spending.

The decision on the cuts which ECGD would be subject to has been postponed several times but is now expected to be announced next week. ECGD is understood to have been asked to submit options to meet cuts of either 10, 15 or 20 per cent.

Though these have not been officially disclosed they are believed to be along the following lines:

A 10 per cent reduction would involve a reduction in jobs of around 200 and would include:

- A 3 per cent staff cut in the comprehensive guarantee department involving 45 jobs in addition to the 40 which have not been filled following the recruitment ban;
- A reduction of 30 staff in the project divisions, to be achieved by doubling the minimum level of contract value eligible for buyer credits to £2m. This has only relatively recently been reduced to £1m at exporters' request;
- Six positions to be eliminated in the general services division which includes the country policy department.

The remaining cuts would fall on the personnel management side, which includes training of ECGD staff and others from export houses and banks.

A 15 per cent reduction would involve a reduction of 350 jobs, including:

- Another 50 to 55 from the comprehensive guarantee department;
- Another 45 from the project divisions.

A 20 per cent reduction would involve the following cuts:

- A further 50 jobs in the comprehensive guarantee division;
- 20 jobs in the project division by raising the access limit for buyer credits to £5m;
- The abolition of the cost escalation scheme, which comes up for review in March, reducing staff by six;
- Scrapping the Overseas Investment Insurance Scheme, despite the fact that ECGD has recently been promoting this scheme. This would cut staff by 11;
- Scrapping the tender to contract scheme. This has already been made more restrictive following losses on the scheme by ECGD of around £40m. It is currently under review and expected to be one of the first schemes to be scrapped if the Government cuts are heavy; and,
- Scrapping the loss-making open account bank guarantee scheme widely used by small exporters — for a saving of 13 jobs.

There is no indication of how severe the cuts will be. Indeed there are many within ECGD who argue that they should be exempt from the Government's axe since the department, unlike others, is self-financing, though this argument is somewhat weakened by yesterday's trading results.

Even so ECGD's trading activities are not financed by public funds. Its burden on public spending comes from its bank guarantees and special schemes, such as cost escalation and tender-to-contract cover. This burden has already been substantially cut by placing a greater load on the banks who now finance the first five years of longer term credit on their own books.

The current talks between the banks, Treasury and ECGD to review the present arrangements introduced in April, 1978, are, therefore, far more relevant to public spending cuts. The main effect of staff reductions within ECGD will be a reduced service to the exporter for there are few who believe that they will result in a much needed reduction in bureaucratic paperwork.

As the largest ECGD department covering exports sold on up to six months' credit, the comprehensive guarantee division will be the hardest hit by the cuts. ECGD points out that the staff cuts will be largely offset by the twitch to computer. The trouble is that its introduction, planned to coincide with the division's move to Cardiff in April of next year, is way behind schedule, mainly due to industrial action.

Staff savings of around 140 had been anticipated by the end of this year through the computer. But no savings are expected now until the middle of 1980 and than at about half the planned level. This means that ECGD has to recruit around 300 clerical staff in Cardiff who, inevitably, will not be as experienced as the 300 or so who are not prepared to move with the department from London.

Credit applications are therefore likely to take even longer until such time as the computer takes over the job and produces the instant processing which is promised—50 per cent by mid-1980. The only problem then will be that ECGD will be that more vulnerable to industrial action. Once the plug has been pulled no applications can be dealt with as by then there will be no manual system to process them.

French car makers fear export decline

BY TERRY DODSWORTH IN PARIS

FRENCH CAR production and sales in October held up in line with the overall growth rate experienced so far this year. But the manufacturers have sounded a note of caution about the future of exports following the dip in new vehicles sales in several European markets.

In their monthly report, the producers hint that a similar decline may be coming in France. They admit that the 4.3 per cent increase in registrations (up from 173,300 in October of 1978 to 180,700 this year) was not as good as it appears because sales were held back last year during the Paris Motor Show.

These remarks are the first indication the manufacturers' association has given of a slow down in the French market, although this has been widely forecast elsewhere. Recent decisions in parts of the PSA Peugeot-Citroen organisation, designed to lengthen the Christmas holiday period, have suggested that it is planning for lower sales early next year.

During October, total production rose from 305,900 units a year ago to 320,700, an increase of 4.8 per cent. Exports went up by 8.7 per cent from 148,600 cars to 161,600, and on a 10-month basis are now running at 8.4 per cent ahead of last year (1.4m units).

Heavy vehicle sales

In the commercial vehicle sector, the October figures underline the strength of the recovery in the light van sector. Sales of vehicles of less than six tonnes rose by 8.5 per cent compared with a year ago, from 23,000 units to 25,000. Exports were up by almost 20 per cent from 11,900 to 14,300, and production by 2.6 per cent, from 33,000 to 33,900. Over the 10-month period, sales are now running 5.7 per cent up on last year at 224,500 units.

In the heavier vehicle sector, an enormous jump in both sales and output indicate that the industry may at last be coming out of a long period of depression. Sales rose by 19 per cent from 3,560 units to 4,240 and production by 37 per cent from 3,790 units to 5,180.

European economic slide to continue

By Frank Gray

WESTERN European economies can expect a period of "near stagnation" in both production and trade through 1980, with an overall growth rate in their gross domestic products (GDP) of 2.5 per cent being forecast for them by the UN Economic Commission for Europe (ECE) in its annual European economic bulletin, released yesterday.

This will represent a decline from the expected 3.2 per cent growth rate among all the Europan communities this year and the 4.5 per cent improvement shown by them in the 12-month period between mid-1978 and mid-1979.

The report noted that higher oil prices, monetary instability and the expectation of strict Government countermeasures to control inflation were beginning to take their toll and, had already weakened growth output in Europe in the second half of this year.

Of particular concern were changing trade balances in oil-producing and non-oil-producing nations.

"A recent projection, which assumed a 15 per cent increase in the dollar price of crude petroleum in 1980, compared with 1979, shows the oil exporting countries' trade surplus rising to $95bn in 1980 from $84bn in 1979 and $47.5bn in 1978," the report said.

It added, however, that the trade deficit of the non-oil developing countries is projected to rise to $30bn in 1980, from $23bn in 1979 and $19.5bn last year.

EEC policy 'distorts trade flows'

BY BRIJ KHINDARIA IN GENEVA

THE Common Market's Agricultural Policy has seriously distorted world trade flows and has strongly fuelled inflation in industrialised countries, Mr. Antonio Ortiz Mena, president of the Inter-American Development Bank, said in Montreaux yesterday.

Addressing a symposium on co-operation between European and Latin American businessmen, Mr. Ortiz Mena said the Community's Common Agricultural Policy and similar measures in other industrialised countries to protect farmers' incomes resulted in agricultural surpluses. These were exported at the expense of the exports of developing countries.

The agricultural exports of industrialised countries rose by 60 per cent between 1971 and 1978, while those of Latin America increased by only 30 per cent in the same period, he said.

Mr. Ortiz Mena estimated that the nominal direct cost to EEC authorities of subsidies to producers and higher prices to consumers for only three products —wheat, dairy products and sugar — rose from $34bn (£15.7bn) in 1976 to $57bn in 1978.

This cost in 1976 was more than five times the total aid given by the Community to developing countries.

Combined with the prospect of economic recession in industrialised countries, protectionism in agricultural trade offered cause for concern to developing countries, including those in Latin America, particularly if the richer nations fail to implement the new rules negotiated under the Tokyo Round to regulate world trade in the 1980s.

Such failure would lead to the creation of a protectionist regime in industrial trade similar to the one existing in the farm goods trade, and would lay the groundwork for "a profound crisis in the world economy."

European industry could regain competitiveness by co-operating with Latin American enterprises, Mr. Ortiz Mena said.

At 6.1 per cent a year, the average rate of growth of gross domestic product in Latin American countries during the past 10 years was nearly double the 3.7 per cent registered by Common Market countries.

He called for more direct foreign investment, which is already the second largest source of foreign finance in Latin America, and greater European support for small and medium-scale Latin American enterprises trying to strengthen their capital structures.

Contest narrows for Australia fighter deal

BY PATRICIA NEWBY IN CANBERRA

THE SHORT list for a tactical fighter aircraft to replace Royal Australian Air Force Mirage Squadrons has been reduced to two.

The Government has decided that further evaluation should be confined to the General Dynamics F-16 and the McDonnell Douglas F/A-18.

The contract, which should be finalised towards the end of next year, is expected to be worth about A$2bn (£1bn) for about 75 aircraft.

The two other main contenders for the contract were the Northrop F-18L and the Mirage 2000.

Mr. Jim Killen, the Australian Minister for Defence, said yesterday the F-16 was a single-engined, highly manoeuvrable fighter aircraft with air-to-air and air-to-surface capabilities. At present it lacked a medium-range all-weather air-to-air missile, but the U.S. Government was developing a missile for use by the F16 and other aircraft.

Mr. Killen said the F/A-18 was the largest and most capable of all contending aircraft, but it was more expensive than the F-16 and, because of its early stage of development, there were greater risks in assessing the final cost.

Mr. Killen said the Northrop F-18L had been excluded because there was no firm production programme and there could be no assurance that the aircraft would be available to meet the time scale of the mid-1980s.

The new fighters are expected to continue in service to beyond the year 2000.

Mr. Killen said the Government recognised that the Mirage 2000 had some excellent qualities, but the decision not to pursue further study was based on the expectation that the F-16 could offer a wider range of capabilities at lower cost.

The Mirage 2000 had the disadvantage that a specialised radar needed to be developed for air-to-air operations, and a different radar for air-to-surface capabilities.

Although operational capabilities are the prime determinant in deciding which aircraft Australia will buy, Mr. Killen did refer to the need for Australian industry to provide much of the aircraft's basic support.

McDonnell Douglas has promised that at least 30 per cent of the value of the fighter programme would be channelled to Australian industry and General Dynamics has offered up to 44 per cent Australian participation.

Some doubt has been cast on McDonnell Douglas's offer after Northrop took out an injunction recently in the U.S. aimed at stopping McDonnell Douglas from unilaterally offering foreign companies the manufacture of portions of the F-18A.

The RAAF and the Australian Department of Defence will not proceed with detailed evaluation of the F-16 and F-A-18.

Plessey wins £5m Ivory Coast contract

BY MARGARET HUGHES

PLESSEY AIRFIELD Systems has been awarded a £5m contract by the Ivory Coast Government to undertake a study and design proposal for a new international airport at Abidjan. The contract also covers future traffic requirements for the next 20 years "and beyond."

The new airport will involve an initial investment of around £200m. Given Plessey's previous involvement in the Ivory Coast and the fine print of the present contract it should be in a strong position to undertake a substantial chunk of this work.

The project for the new airport, which will be built on a new site some 3.7 kms east of the existing one, will be undertaken in two phases. The study for the first phase, namely a new runway, control tower and technical block has already been completed by Plessey with Sir Alexander Gibb and Partners, acting as consultants.

This study was undertaken as part of a £37m contract which Plessey was awarded in November, 1977. It was part of the main contract for the supply of aviation and navigation equipment to improve the existing airport and facilitate the handling of Jumbo jets. This was a £50m project for which Plessey was also responsible for the management and co-ordination.

At that time, the Ivory Coast Government envisaged a second runway at the present airport, but because of the long-term limitations, it has now decided to establish the runway at a new site. This runway will form the first phase of the new airport.

Contracts for the new runway and associated facilities worth about £42m, are expected to be let in January of next year. Several UK companies including Laing, Taylor Woodrow and Balfour Beatty are understood to be interested in bidding but face competition from French, Belgian and Dutch companies—UDEC, Dumez, Fougerolles, Francois and Bos Kalis Westminster.

The second phase of the new airport project, involving an investment of some £150m, covers equipment, services and civil works for new passenger and cargo terminals, a presidential pavilion, aircraft parking areas, roadways and other facilities. Plessey expects to submit its study report within two years.

Financing for the Plessey contract has been arranged by Citicorp International Bank. Citicorp is well established in the Ivory Coast. As well as being the first to arrange a buyer credit it was one of the first foreign banks to set up a branch in Abidjan four years ago. It has since been followed, mostly in the past year, by several other foreign banks, including Barclays of the UK.

U.S. sales to Eastern Bloc rise by 40%

WASHINGTON — U.S. exports to Communist countries in the first three quarters rose 40 per cent from a year earlier, the U.S. Commerce Department said yesterday.

Exports totalled $4.9bn (£2.3bn) while imports amounted to $1.7bn. The resulting $3.2bn surplus was $1.1bn higher than the surplus the year before.

The leading communist trade partner of the U.S. was the Soviet Union, to which the U.S. exported $2.7bn of products. U.S. imports from Russia totalled $489m.

U.S. exports to China totalled $1.08bn, compared with $412m in imports. The U.S. exported $496m of products to Poland and imported $321m worth from that country.

U.S. exports of manufactured goods to communist countries rose 60 per cent during the first three quarters to $1.14bn, while agricultural exports climbed 35 per cent to $3.52bn, the Department said. AP-DJ

Romania buys Soviet oil

BUCHAREST — Romania has signed a contract for the first time to import oil from the Soviet Union, Western diplomatic officials said yesterday.

Under a previously undisclosed contract signed earlier this year, delivery of 350,000 tonnes of Soviet crude was due to start in the last quarter of 1979, the officials said. It could not be confirmed whether any had actually arrived.

In the past Romania has failed to obtain oil from the Soviet Union, although Moscow supplies most of the crude used by other East bloc countries.

Romania disagrees with Moscow and its East European allies on a number of major issues, including relations with China, Middle East policy and Indochina.

Meanwhile, President Nicolae Ceausescu has announced Romania's first offshore oil strike after two years of drilling in the Black Sea, using American-designed equipment. He said it was not yet known whether the find was big enough to be exploited but Western experts said it may be insignificant. Reuter

Lockheed sees advent of 4,000 mph airliner

BY KATHRYN DAVIES IN SINGAPORE

THE LOCKHEED Corporation is examining a "hypersonic" airliner that would fly at almost 4,000 miles an hour — from Tokyo to Los Angeles in slightly over two hours — powered by both conventional engines for take-off and landing and hydrogen-fuelled ramjet engines for cruise speed.

This is one of several projections outlined by General Jack J. Catton, Lockheed's senior vice president, at the Financial Times two-day conference on air transport in the developing world in Singapore.

General Catton said that airline scientists and engineers, thinking beyond the 1980s and bearing in mind the demand for reduced fuel consumption, were looking favourably at the efficient turboprop engine. The propfan of tomorrow would have propellers never seen before — of smaller diameter with thin blades — allowing the engine to achieve higher speeds while minimising the compressibility and noise problems of the conventional props.

More immediate product plans were discussed by Mr. Rusty Roetman, Boeing's vice president, who said that, from the beginning of this month, sales and options of the Boeing 767 totalled 258 and the Boeing 757 82.

"Like our current products, we view both basic programmes as having 20 or more-year lifetimes and anticipate we will eventually produce 3,000 of both models combined."

But a plea for a less sophisticated approach to solving the air transport problems of the Third World came from Mr. Semret Medhane, secretary-general of African Airlines Association (AFRAA). He pointed out that the operation of long haul wide-body jets, so successful in Europe, America and to some extent Asia, are not commercially visible for the most small African airlines.

Mr. Medhane said an appeal he made 10 years ago for the airline industry to come up with a low cost, low capacity and short range aircraft to help development in Africa resulted a couple of years later with the offer of the Boeing 747. African airlines needed to standardise equipment, set up a joint maintenance base and use training facilities without unnecessary competition from the developed world to lure away one or another of the components that make such co-operation possible.

An attempt to meet the needs of the Third World is being made by British Aerospace, said Mr. John Thorne, managing director (Civil) of the BAE group. The British Aerospace 146—80 to 100 seat feeder jet, which will make its maiden flight early in 1981, offers lower seat/km costs than the turboprops and yet is about 20 to 25 per cent cheaper per aircraft km to operate than larger twin jets which are in such widespread airline service today.

The view from Hong Kong was presented by Mr. John Olsen, Cathay Pacific's South East Asia general manager. Mr. Olsen pinpointed Hong Kong's biggest aviation problem as the saturation of its airport, Kai Tak, by 1985 and uncertainties over plans to build a new airport in the New Territories.

"While all recent indications are very favourable, and while relations are extremely good, some firm commitment from our friendly landlords (China) will clearly have to be made before an expenditure of this order (HK$9bn) which will certainly need offshore financing can be made."

M. Claude J. Lalanne, director-general of SITA (Societe Internationale de Telecommunications Aeronautiques) told the conference that, in spite of the technological gap separating the industrialised nations from the developing countries, the latter and their airlines are more and more enjoying a privileged position, whereby, without going through the costly development phase, a wide range of the most up-to-date communications and teleprocessing facilities are readily available to them. M. Lalanne said that, according to the latest available surveys, about 100 of the world's airlines use automatic information processing systems and to date have in total invested over $4bn in them.

This old cat has learnt some new tricks.

Esso are pulling out all the stops to find new sources of oil and gas.

We've built artificial islands to drill off shore in the Arctic.

We've had to invest in an 800-mile pipeline across Alaska to an ice-free port.

We've had to build stronger, taller rigs to work in deeper water in the North Sea.

Esso went into the coal business more than a decade ago, and since then we have been developing new technologies for converting coal into liquid fuels.

We have developed an advanced catalytic process for converting coal into synthetic gas.

We have intensified our programme for extracting oil from tar sands, the technology for which we developed in the Fifties.

Ten years ago we went into the nuclear energy business.

We pioneered laser techniques for enriching uranium.

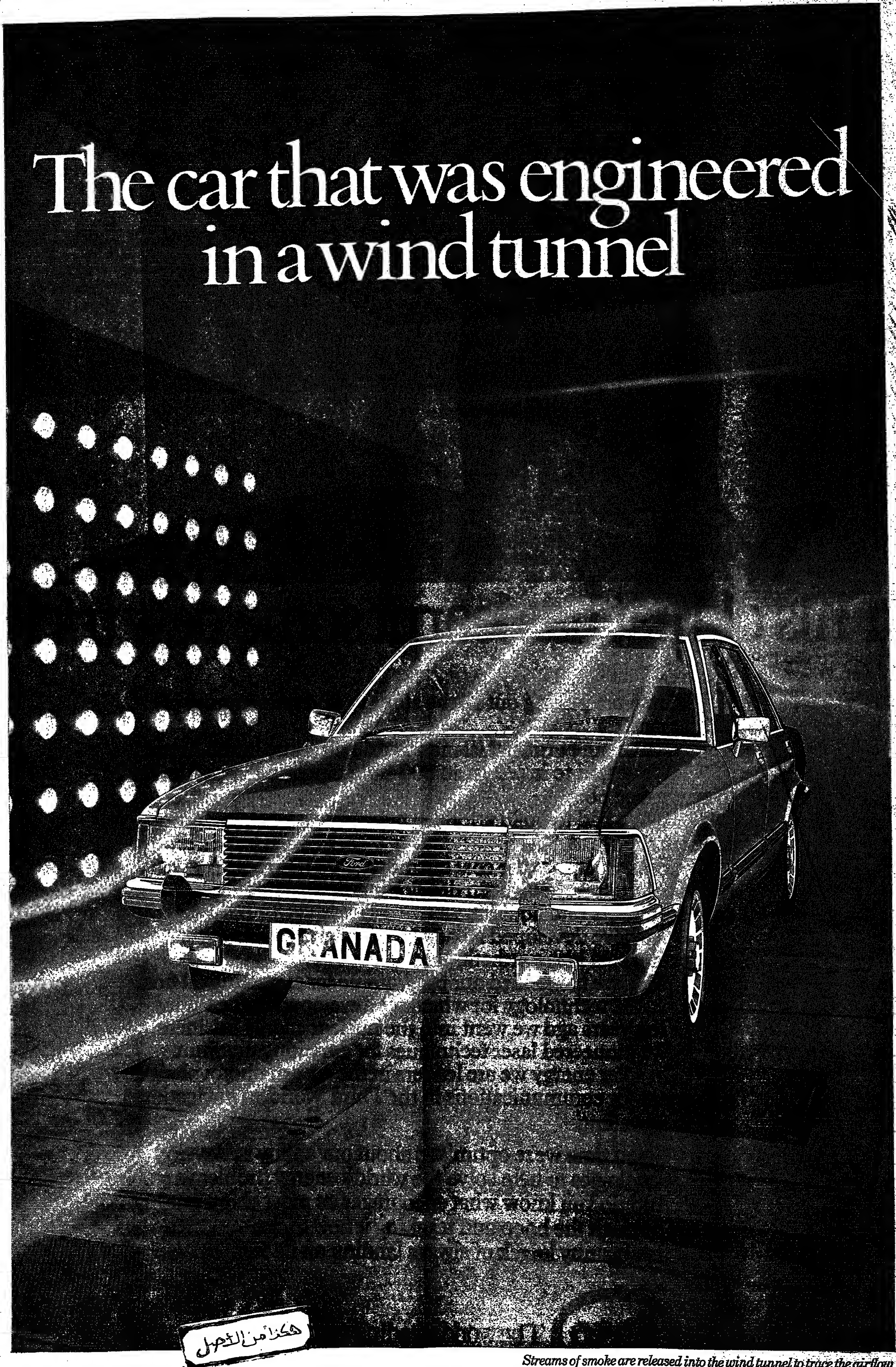
In solar energy we are leaders in the area of photovoltaics, important for communications in the Third World, in navigation and in signalling.

Given time we're optimistic about our ability to develop new technologies to help solve the world's energy problems.

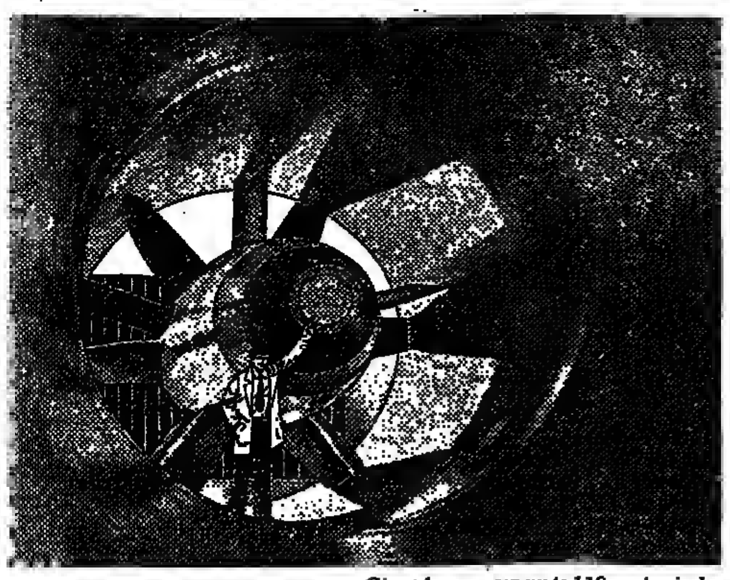
And do you know what encourages us most about putting our cat through the hoop and teaching it new tricks?

Its uncanny knack of always landing on its feet.

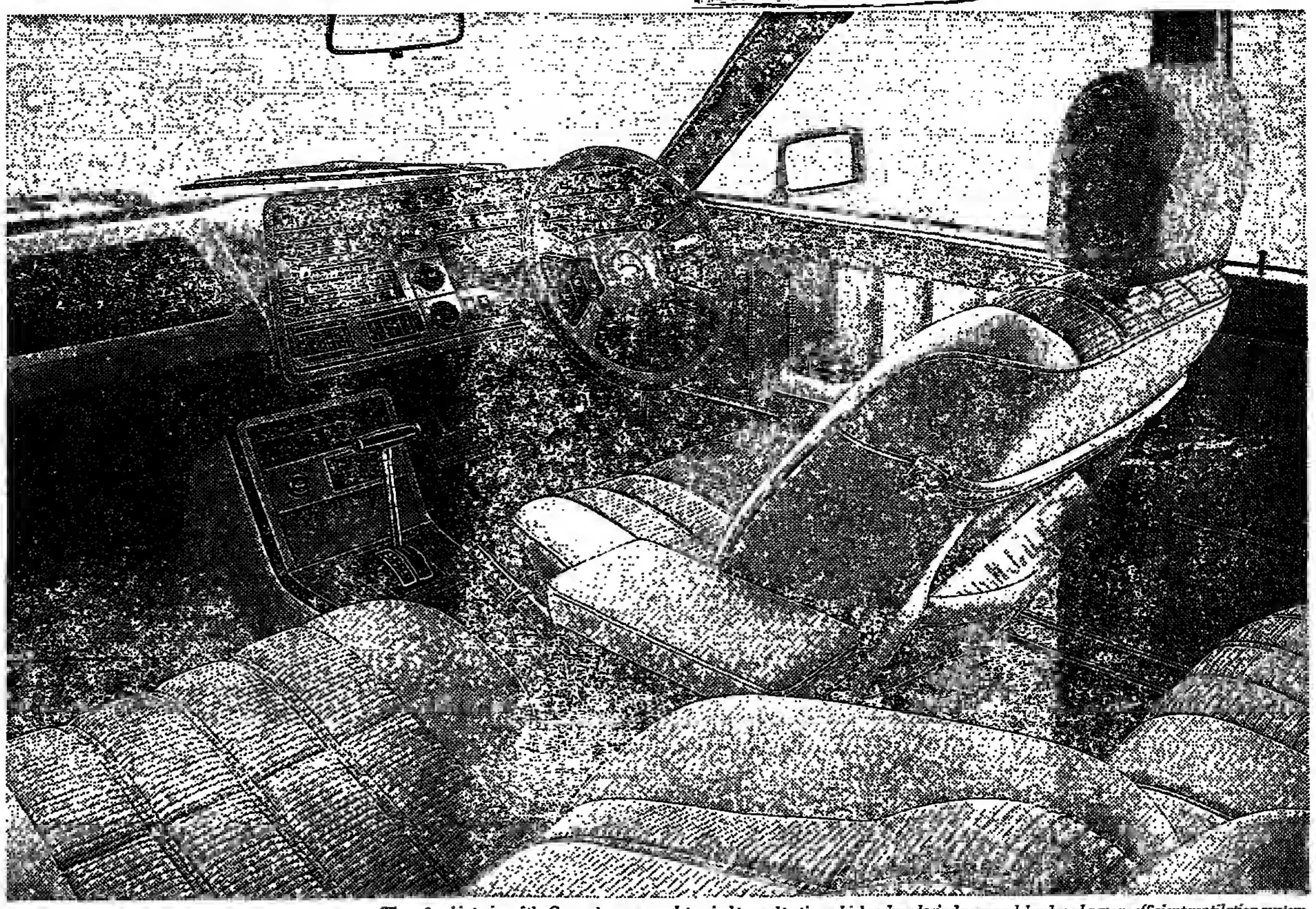
Esso The world's leading energy company.



Streams of smoke are released into the wind tunnel to trace the airflow over a Ford Granada's body. Why? Read the full story opposite.



Giant fan can generate 110 mph winds.

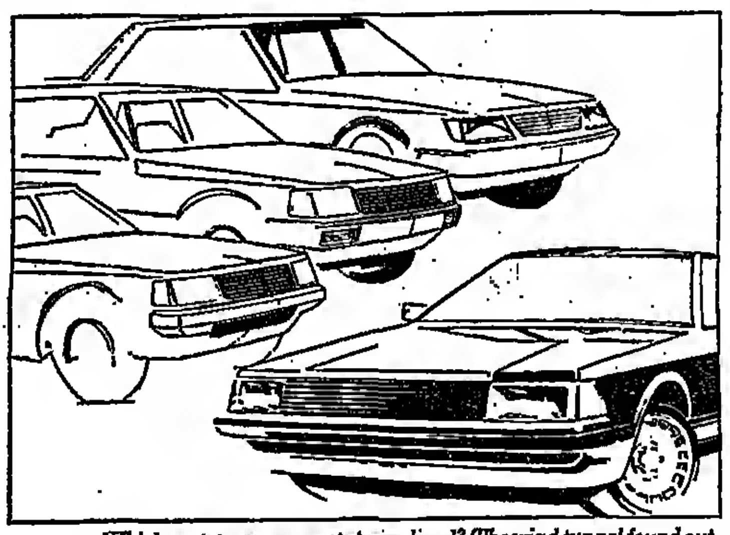


The refined interior of the Granada owes much to wind tunnel testing which reduced wind roar and developed a more efficient ventilation system.

We'd like to take you inside one of the toughest test tracks in the world. In reality it isn't a track at all, because no test track on earth could produce such extreme conditions.

Our picture was taken in the curving, 110 mile an hour, environmental wind tunnel at one of Ford's design and development centres. Inside we can create every kind of climatic condition on earth. And some that have more in common with Mars. Temperatures that would blister paint, or freeze anti-freeze. Tropical humidity. Or vicious side winds.

It was in the wind tunnel that the Ford Granada took shape.



Which prototype was most streamlined? The wind tunnel found out.

As you may know, at 70 mph between 65% and 70% of the petrol you use is wasted simply overcoming wind resistance.

That's why we went through over 280 tests like the one on the left. The picture shows how smoke is released into the airflow to detect turbulence. This helped assess the relative aerodynamic efficiency of various prototype models and develop features to reduce drag.

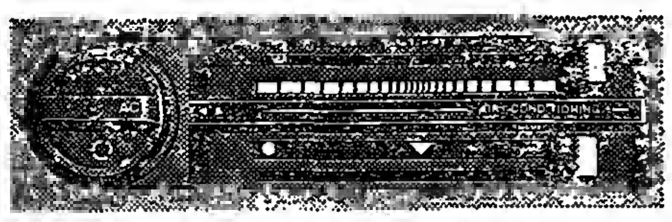
At low speed air flows through grille.

At high speed most air passes over top.

One such feature is the Granada's unique grille, which lets air into the radiator when you're stuck in traffic and extra cooling is needed, but which channels it over the top when you're travelling fast. This stops pressure building up under the bonnet and holding you back.

The wind tunnel also helped us design special window seals that practically eliminate wind roar when you're driving down the motorway, and a ventilation system which can change the air inside the car every 20 seconds at 50 mph without causing draughts, and which can prevent the side windows from misting up.

Wind tunnel testing even determined the tension in the springs that hold the wipers on the windscreen.



Air conditioning is an optional extra on all V6 engined Granadas. It reduces humidity on hot sticky days or gives you warm dry air on cold damp days. It also filters out pollen and exhaust fumes. The unit is fully integrated into the dashboard design and can deliver air at floor, screen or face level. It was tested in the wind tunnel, naturally.

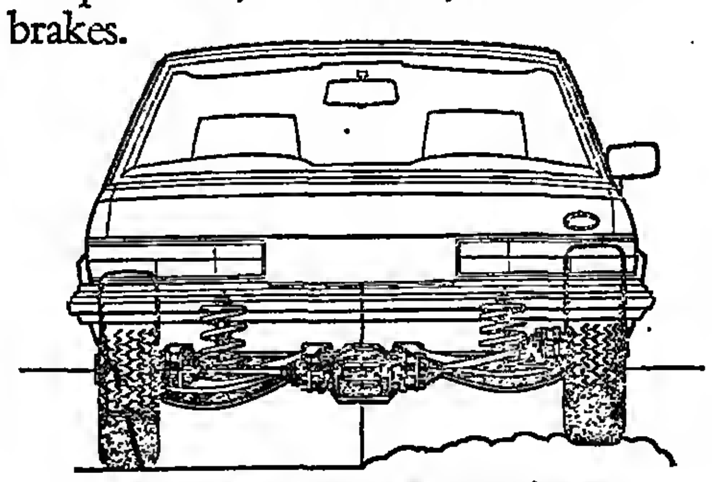
In another experiment the Granada spent days under searing ultra-violet light to see what effect continuous sunlight would have on the car.

And the engine was left idling for hours on end in sticky, humid heat to check that the fuel wouldn't vapourise and the radiator wouldn't boil in a Naples style traffic jam.

Then came the cold. The Granada had to prove it could start at 29 degrees below, with the oil congealed in the sump and the battery sapped of its power. Even on a Scottish winter's night it seldom drops below minus 10.

Here, too, we have machines that can age a car's suspension 15 years in 24 hours. We can simulate Alpine descents that test disc brakes to the limit, or non-stop drives at 120 miles an hour from Calais to Rome and back.

Journalists have consistently praised the safe and decisive handling of the Granada with its all round independent suspension and powerful, dual circuit, servo-assisted brakes.



With all round independent suspension the Granada goes as smoothly over the road as it goes through the air.

The Ford Granada is the end result of some of the most advanced technology ever designed for building cars.

That's why it's so quiet and refined to drive. That's why it's so reliable.

Now *that you've seen how we test it,* why don't you test it?

Engine size (litres)	Max Speed (mph)*	0-60 mph secs*
2.0 L (manual)	102	11.1
2.3 L (manual)	107	10.2
2.8 GL (manual)	114	9.5
2.8 Ghia (automatic)	109	11.3
2.8 Ghia S fuel injection (manual)	120	9.0
2.1 Diesel (manual)	85	22.5

*Ford computed performance data for saloon models.

GRANADA PRICES

Granada L	from £5499
Granada GL	from £7240
Granada GLS	from £8325
Granada Ghia	from £9173
Granada Ghia S	from £9305
Granada Diesel	from £5943
Granada Estate	from £6086

Maximum prices as at November 1st 1979. Seat belts, car tax and VAT included. Delivery and number plates at extra cost.

Illustrated is the 2.8 V6 Granada Ghia with optional extra air conditioning and push button stereo radio/stereo cassette. (mono radio/stereo cassette standard equipment).

FORD GRANADA Ford

UK NEWS

Tory MP attacks 'invest in steel' call

BY LORNE BARLING

BRITISH STEEL Corporation's scheme to create new jobs in areas where steelworkers have been made redundant has run into opposition in the West Midlands, where the Corporation is trying to attract investors for areas like Shotton and Corby.

Mr. Anthony Beaumont-Dark, Conservative MP for Selly Oak, Birmingham, said he resented efforts by BSC, which was "losing large sums of taxpayers' money," to draw investment away from the West Midlands to solve its problems.

He would seek an adjournment debate next week about BSC (Industry) sending letters to Midlands industrialists seeking investment. Mr. Beaumont-Dark said it ran counter to Government policy of attracting companies to Birmingham and the surrounding region.

BSC (Industry) was set up four years ago to create jobs in its problem areas. The Corporation said yesterday it had successfully found work for 3,000 people last year and hoped to raise that figure to more than 5,000 this year.

It plans a one-day conference in Birmingham in December to outline the grants and incentives it offers for investment. The letter to industrialists refers to the availability of loans at favourable rates, services and support from BSC, and free advice from specialists.

North Sea boost as Statfjord starts production

BY MARTIN DICKSON

THE ANGLO - NORWEGIAN Statfjord oil field, the largest in the North Sea, will come on stream today or tomorrow after 29 months of offshore construction work on its "A" platform, it was announced in London yesterday.

Mr. Henrik Ager-Hanssen, executive vice-president of Statoil, the Norwegian state oil corporation, told a news conference that initial production would come from the first four wells on the "A" platform, drilling of which was completed in September.

Average production during 1980 was expected to be about 70,000 barrels a day (b/d). The platform had a peak production capacity of 300,000 b/d and was expected to produce at a yearly average of 250,000 b/d when the necessary production wells had been completed.

According to latest estimates, the field holds over 3bn barrels of recoverable oil reserves.

Mr. Ager-Hanssen said the revised budget for Statfjord "A" had, for the last 18 months, been Nkr 7.5bn (£688m) and according to latest estimates the platform would be completed within this budget.

The field's second platform, Statfjord "B," which is now under construction in Stavanger, would have a peak production capacity of 180,000 b/d. Statfjord "B" was scheduled to be towed out to the field in August 1981.

Although the project was now about four weeks behind schedule it was hoped this time could be made up during the coming year, Mr. Ager-Hanssen estimated that the "B" project could be completed within the approximate cost estimate of Nkr 10bn made in October last year.

He added that the Statfjord group was still evaluating alternatives for a "C" platform, but had now narrowed this down to two: a drilling and quarters platform, or an integrated production platform. A final decision is expected shortly.

Mr. Ager-Hanssen also said the group was sticking to its plans for offshore loading of oil from the field. Although a study had shown that it was technically feasible to lay a pipeline acrossthe deep Norwegian trench, the group could see no economic justification for a pipeline now, and had applied to the Norwegian Government for permission to use offshore loading as the permanent transport system for oil.

As regards Statfjord's large gas reserves, which are to be re-injected initially, he said the group was waiting to see the outcome of the revived interest in both Norway and the UK in assessing different gas trunk line alternatives.

Companies in the Norwegian consortium are Mobil, Amerada Hess, Amoco, Conoco, Exxon, Mobil, Saga, Shell, Texas Eastern and Statoil.

CBI asks big firms to help the small

BY MAURICE SAMUELSON

SMALL companies were going to be badly hit by the 17 per cent Minimum Lending Rate and larger companies should help them "weather the storm," the Confederation of British Industry said yesterday.

The large should give the small more time to pay bills, said the CBI.

This was decided at a meeting of the CBI's council, which also discussed Government attempts to tackle inflation, the trend of wage settlements, and upheaval in the National Enterprise Board.

Afterwards, CBI chiefs told a Press conference that big companies had been asked "not to screw to the ground" smaller, and especially young, companies, who would face dire payments difficulties as a result of the rise in interest rates.

No restraint

Sir John Methven, director-general, said big companies had shown this kind of consideration to smaller concerns during the recent wave of industrial unrest. In 1974, however, when a similar crisis had occurred, there had been no such restraint.

Despite difficulties caused by high interest rates, the CBI supported the Government's policy as "essential to conquer inflation." But current rates would not be acceptable "for an indefinite period."

It hoped high-level wage claims would be settled at lower levels.

● The CBI is to ask members for an additional £500,000 in subscriptions over the next two years, to help its move to new headquarters at Centre Point, Tottenham Court Road. It claims to represent 300,000 companies, draws direct subscriptions from 16,000, and the additional sum will boost its annual income to more than £5m.

Maintain effort to attract U.S. investment

BY RAY PERMAN, SCOTTISH CORRESPONDENT

BRITAIN should maintain its effort to attract U.S. manufacturing investment over the next few years to lay the basis for the late 1980s, when the world economy would again pick up, Prof. Donald McKay, of Heriot Watt University, said yesterday.

He told a seminar in Edinburgh the levels of direct investment from the U.S. in the next few years were bound to be low, but that should not mean a relaxation of promotional effort.

"I would regard the fall of investment levels as a short-term development and not necessarily a long-term trend. The evidence supports the view that the promotional work done by bodies such as the Scottish Council in the 1950s had a substantial effect on the level of investment coming to Scotland in the 1960s and early 1970s.

"It is very important to build a base now for the higher investment level of the late 1980s."

Prof. McKay said Scotland had a good record which could be used as a selling point. American companies saw Scotland as a low-cost manufacturing base, both in comparison to the UK and with Europe.

A recent survey suggested they also like a capital-based incentive grants scheme, such as that offered by the UK.

The recent changes in regional policy announced by the Government need not necessarily mean a reduction in the volume of incoming investment, but would affect the distribution of that investment in this country. More multinationals would be steered towards development areas, such as the new towns.

"We still need to encourage direct inward investment," said Prof. McKay.

Auditors 'must toughen draft'

BY MICHAEL LAFFERTY

THE Bank of England has told the accountancy profession to toughen its inflation accounting proposals.

Contrary to the existing plan, the Bank wants to see inflation accounts audited, and it wants them to be given equal prominence in annual reports. It says the rules should extend to areas such as leasing, factoring and to prescribing appropriate price indices.

The Bank's approach is in marked contrast with the "softly-softly" attitude of the accountants, who want to avoid any repetition of the 1977 inflation accounting revolt which shook the profession.

The Bank of England comments come in a submission to the profession's Inflation Accounting Steering Group in connection with the current cost accounting proposals in exposure draft 24.

The submission says it is the Bank's view that current cost statements are of such importance that the proposed accounting standard should require them to be brought within the scope of the audit report. "That should pose no insuperable difficulty if the statements have been prepared properly."

The Bank of England says it would be desirable "for the standard to encourage companies to display the current cost information in the annual report and accounts with the same prominence as the (traditional) historic cost figures."

Flexibility is another feature of the draft, which the Bank objects to. "The draft seems to allow rather too much flexibility in relation to some important matters which can have a material effect on current cost profit. In certain key areas, notably the definition of monetary working capital, fairly detailed rules will be desirable."

The present two-stage approach to dealing with monetary items in ED 24 provides scope for profit manipulation. "Careful guidelines will be needed to overcome this problem."

One of the examples cited by the Bank is the possible use of debt factoring, whereby debtors are removed from the balance sheet and borrowings correspondingly reduced, or cash holdings increased. A company which factors its debts will generally show a larger current cost profit under the draft than one which keeps the debts on its balance sheet.

In numerous other areas the Bank is critical of the vagueness and flexibility of the draft. Pointing out that the document does not give any guidance as to the selection of appropriate price indices, it says it is desirable that the standard "should prescribe the use of a recognised published index."

Despite all the fuss which resulted from the accountants' previous, highly detailed, inflation accounting plans—notably the inclusion of areas such as leasing, which have not yet been standardised for traditional accounts—the Bank is adamant that leasing should be included in the new scheme.

"It is important that this draft should deal with the current cost aspects of leasing and lay down the methods of accounting to be followed in the accounts of both the lessor and the lessee."

Howson-Algraphy factory in Leeds costs £12m

BY LISA WOOD

A FACTORY costing £12m will beb uilt by Vickers for its Howson-Algraphy Group, one of the world's largest manufacturers of lithographic plats for the newspaper printing industries.

The factory will be on a site adjacent to the group's plant in Leeds.

Howson-Algraphy also has manufacturing facilities at Thetford, Norfolk, where a £1m fatcory was recently completed, and in Holland, Spain and South Africa.

Vickers entered the lithographic plate business in 1965 with the purchase of the Leeds company, W. H. Howson. This was supplemented in 1969 by the acquisition of Algraphy.

In 1973, Howson-Algraphy became a separate operating gronp of Vickers. Vickers said that since 1973 the group had trebled its sales and doubled its profits.

Well over 60 per cent of the output of lithographic plates aer sold voerseas, with more than 100 countries supplied form the UK.

£ 110,000 for Copley portrait

A PORTRAIT of George Roupell painted around 1780 by John Copley, later Lord Lyndhurst, sold for £110,000, plus the 10.8 per cent buyer's premium and VAT, at a Sotheby's sale of British pictures yesterday. Roupell came from a South Carolina family which remained loyal to Britain in the War of Independence and during his time in London he became friendly with Copley. The picture remained in the Roupell family until yesterday when it was bought by J. Weitzner, a London dealer. The price was an auction record for the artist, beating the £85,710 paid in 1971.

SALEROOM

BY ANTONY THORNCROFT

It was the top price in an auction which totalled £431,440 with a reasonable 15 per cent bought in. Other high prices were the £18,500 from Baskett and Day for "An extensive View of Oxford Races" by Charles Turner and £13,000 paid for "James John Farquharson with the Blackmore Vale Hunt" by Richard Davis, and the same sum for a "View of Mount Parnassus" by Edward Lear.

Decision soon on UK's nuclear deterrent for the '90s

BY LYNTON McLAIN

A DECISION on the strategic nuclear deterrent to replace Britain's Polaris missiles in the 1990s is likely to be takeo before the end of the year, possibly before the Prime Minister visits Washington on December 17.

The favoured option among Ministers and Defence Department officials is thought to be the submarine-launched Trident C4 ballistic missile system, designed and built in the U.S. and now being tested.

However, Britain is expected to design and make the nuclear warhead. This may involve expansion of manufacturing facilities at the Atomic Weapons Research Establishment, Aldermaston, Berks.

The Trident would have a greater range than existing British Polaris missiles. But the Cabinet Defence and Foreign Affairs sub-committe, studying options for Britain's new deterrent, is also considering long-range Cruise missiles. These would also be submarine-launched.

The existing system based on four Royal Navy submarines will remain active for another 10 to 15 years.

Mr. Francis Pym, Defence Secretary, said in the Commons earlier this month that a decision is likely to be reached "certainly in the course of next year."

Ministers may decide to delay an announcement until after the meeting of NATO Defence and Foreign Ministers in Brussels between December 11 to 14.

£230,000 Sealink campaign launched

BRITISH RAIL is to boost its cross-Channel ferry and hovercraft business in the face of growing competition from other ferry operators.

The BR campaign, costing £230,000, was announced at a laviab promotional presentation at the Association of British Travel Agents annual convention in Los Angeles — less than a week after rail fare increasea of about 20 per cent were anoouoced.

Britisb Rail commissioned an orchestra to record music specially written for the launching of its campaign.

It also brougbt in television presenter David Dimbleby, who took part in a faked satellite link with BR chairman Sir Peter Parker. Many of the delegates believed it was a live link-up.

BR officials declined to say how mucb the hour-long presentation cost and would not comment wben asked if its timing and scale was unfortunate coming so soon after last week's big fare rises.

A spokesman aaid the cost was not mucb when seen as a percentage of BR's massive turnover.

BR also announced that it is to increase the commission it pays travel agents on a sliding scale — depending on how mucb rail business they do.

Agents wbo accept the major credit cards as payment for rail travel will also earn extra as part of a wide-ranging plan to attract more business.

The £230,000 being spent on Sealink and Seaspeed promotion is aimed at encouraging local travel agents to install the Post Office's Prestel information system in their sbops.

The agents would then be able to receive instant information on cross-Channel space availability at the press of a button.

Customers would be able to make bookings in a few seconds instead of spending large amounts of time on the telephone.

British Rail will pay agents half what it costs them to rent special Prestel equipment in the first year and 25 per cent in the second.

Mr. Norman Wade, Sealink's sales manager for Britain, said: "If it brings us a 1 per cent improvement in business in the first year I shall be happy."

Cut in sugar output 'means big jobs loss'

BY JOHN MAKINSON

ALMOST HALF the workforce of the British Sugar Corporation would be made redundant and about half the group'a factories would be closed under proposals being considered by the EEC, according to a document circulated by British Sugar to resist proposed cuts of 30 per cent in the UK's sugar production quotas.

The cuts form part of an EEC Commission plan to reduce the Community's quota by 10 per cent, in response to excess capacity on the world market. If implemented, the UK would suffer the largeat losses.

According to the document 2,500 of British Sugar's 6,000 workforce would lose their johs and eight out of 17 plants would he closed. In addition, the UK balance of payments would suffer by £100m a year and retail sugar prices would rise towards European levels of 40p of more a kilo from the present figure of about 33p.

The EEC has proposed extensive cuts in UK quotas since British Sugar bas consistently failed to meet its allotment. The company has capacity to produce 1.25m tonnes of sugar a year. Its quotas amount to 1.53m tonnes.

Mr. John Beckett, the company's chief executive, said yesterday that this criterion took no account of the economics of the situation, nor of special factors sucb as poor crops and the green pound.

The difference between quolas and capacity was elastic and could he bridged. British Sugar has nearly completed a £150m scheme to expand capacity and is the lowest cost producer in the EEC.

Tough time

As a substantial net importer of sugar tbe UK bas not contributed to the drain on EEC resources created by excess production and consequent subsidies, Mr. Beckett said.

France, West Germany, the Netherlands and Belgium, by contrast, all produce more than tbey consume. The UK is therefore suffering from a double indemnity, and British Sugar's profits would have a very tough time if the proposals were implemented.

The document, which is being widely circulated, marks the first stage in a British Sugar campaign against the cuts. Mr. Beckett empbasised, however, that tbe group would not apply direct pressure on tbe EEC, but would rely on Mr. Peter Walker, the Agriculture minister, to argue the case in Brussels.

He was "pretty confident" tbat the proposals would be rejected.

Mr. Walker said he had not seen the EEC augar proposals, but would resist any attempt to cut the quotas.

The proposed EEC production levels for Britain were calculated on two bad years of drought.

Quotas laid down by the EEC govern the amount of sugar procesaed at the factory and not the amount barveated. Farmers are guaranteed the full price for a given amount of processed sugar—the A quota—but only get a percentage of everything else—the B quota.

The farmer has to calculate how many acres be needs to cover bia A quota, knowing that if he over-produces, he might not recover all his costs.

Mr. Walker said tbe augar surplus io Europe bad to be tackled, but not at the expense of the Britiab farmer, who did not contribute to it. The A quota must not be touched, although he was prepared to see a reduction in the B quota.

Severn Bridge repairs

By James McDonald

LANE closures will be made on the Severn road bridge from next week for repairs. These will occur wben traffic is lightest.

The main repairs will start in January and longer closures will be needed.

Some of the 340 hangers wbicb join the road deck to the suspension cables bave corroded and must be replaced.

Since its opening in September 1966 the £8m bridge bas needed often lengthy repairs. The Department of Transport said yesterday: "There is no danger to the public. This work was anticipated last year when a small number of broken wires were found in some of the hangers."

Machines 'pose big threat to typists'

BY LISA WOOD

UP TO one tbird of typing and secretarial joba will disappear in the next ten years because of word-processors, according to a report published yesterday.

Tbe report, published by Youthaid, a pressure group concerned with youth unemployment, examines the likely effects of word-processors on employment.

Mr. David Taylor, the author of "Cheap Words . . .?" said there were probably 9,000 word-processors in the UK. Annual growth rate estimates varied between 15 and 40 per cent a year.

"If the bigbest of these estimates is chosen, the number of word-processors in Britain in 10 years will be io the region of 260,329. If each of tbese machines results in a doubling of productivity, this could mean that up to 30 per cent of today's 800,000 typing and secretarial jobs will have disappeared by 1989.

Clerical and middle managerial joba would also be adversely affected.

"Althougb micro-technology will almost certainly create new jobs to replace tbose it will destroy, particularly in manfacturing industry, only by the merest chance will the numbers balance."

Skills

Mr. Taylor said he doubted that the new jobs created would be matched by tbe skills of those made unemployed by the new technology.

He gave examples of how word-processors increased productivity. One metropolitan council which installed a shared logic system in the department of development services bad an estimated increase of workload of 19 per cent, while the staff was reduced from 44 to 22 between 1977 and 1979.

Ms. Clare Short, directnr of Youthaid, said it was hnped the report, which explains how word-processors work and what they do, wnuld help people understand the machines so they did not approach their introduction with fear and ignorance.

New chairman of Lloyd's will spearhead reforms

BY JOHN MOORE

MR. PETER GREEN will be chairmao of Lloyd's of London, the UK's leading insurance market, from next January. His election is seen as a victory for Lloyd'a traditionalists.

Tbe son of a Lloyd's father, Mr. Tohy Green, a prominent marine underwriter in his day, Mr. Peter Green, 55, is an experieoced uoderwriter of marine insurance, the one class of insurance accepted at Lloyd's since the market came into existence nearly 300 years ago.

His predecessor, Mr. Ian Findlay, was one of the few insurance brokers ever elected chairman. Election of a broker rankled in snme quarters of Lloyd's, particularly among underwriters, who often feel that hrokers, producing the insurance business for them, do not have tbe same depth of understanding of how the market works.

Election of Mr. Peter Green is seen both as a victory for Lloyd's traditionalists, and as an attempt to unite underwriters and brokers when the institution is under pressure to change.

Mr. Green is an underwriter, and with more thao 30 years' experience, he is chairman of Janson Green, the underwriting management company—wbich is part of Hogg Robinson Group, the insurance broker with large Lloyd's interests.

Mr. Green sits on the Hogg Robinson Group board, one of the market's few insurance brokers of such size to be referred to as one nf the "broker barons" in Lloyd's market.

The election nf Mr. Green is seen as an attempt to unite both areas of the market when Lloyd's is under pressure to reform its systems.

During Mr. Findlay's two-year term of office, which ends in December, Lloyd's has faced some of the most serious problems in its history.

The prohlems bave been highligbted by controversies surrounding many large Lloyd's insurance brokers: by troubles with Lloyd's underwriting syndicates, including tbe Sasse syndicate, wbich is facing £20.2m of losses; and by computer-leasing losses, expected to produce the largest series of claims in Lloyd's history.

These problema have their roots in the terms of office of a number of Mr. Findiay's predecesaors.

Taking account of the troubles which bave swept through the market, Mr. Ian Findlay and Lloyd's ruling committee, formed a working party, beaded by Sir Henry Fisher, to examine Lloyd's powers of self-regulation.

Wheo that party completes its inquiries in about next March, it will make recommendatioos to the Lloyd's committee, whicb will have to implement any proposals.

Mr. Green will bave to steer the Fisher Report through the committee, whicb may lead to some of the most far-reaching reforms the market has ever seen.

Mr. Green is not regarded by some members of the market as a chairman likely to be fired with great reforming zeal, althougb for most brokers and underwriters this would be an acceptable characteristic of a new chairman.

Maoy working members of Lloyd's market are openly alarmed that there should be radical changes to the exi**s**tiog order of things in an institution which appears to have worked perfectly well for 300 years.

Mr. Green had experience of coping with Lloyd's troubles during his last year as deputy chairman. He led the committee's negotiations with the disaster-struck Sasse syndicate.

During these negotiations he is said to bave taken a tough line resisting many remonstrations and appeals by Sasse syndicate members for more help to meet its enormous losses.

His approach to the Sasse problem during the past year was a contributory factor in the resignation of Mr. Stephen Merrett and his company, Merrett Dixey Syndicates, as acting manager of Sasse syndicate.

Syndicates under the management of Janson Green, Mr. Green's own company, have their share of problems. Tbey participated to a larger extent thao most in underwriting computer-leasing insurancea, expected to produce over $225m of losses for Lloyd's as a wbole.

But Mr. Green's own detailed understanding of computer-leasiog problems will be important next year when most Lloyd's members will be told the full extent of their liabilities.

Another important development in the Lloyd's market which Mr. Green is likely to have to deal with is a review of the 20 per cent rule of ownership of Lloyd's brokers.

In 1973, prompted by a spate of planned takeovers of Lloyd's hrokers by large U.S. brokers, Lloyd's ruled that an insurance company, an underwriting agency, or a non-Lloyd's broker may not normally hold more than 20 per ceot of an established Lloyd's broker.

The move was protectionist and led to the Americans creating their own versioo of Lloyd's in New York. Lloyd's has been anxioua ever since to amend the rule in some way and it may be that it will be abandoned altogether soon.

If that were so, Mr. Green and his committee would see a rush of takeovers by U.S. brokers of Lloyd's insurance brokers.

Mr. Green is known as an innovator at Lloyd's, involved in such developments as creation of oil-rig insurance; and for his quick decision-making and forceful views. These should stand him in good stead at a time when the market needs strong leadership.

Mr. Green: sitting with a "broker baron."

Tax fear for family shipping firms

BY WILLIAM HALL, SHIPPING CORRESPONDENT

FAMILY-OWNED shipping companies are in danger of being destroyed by the current rates of capital gains and capital transfer tax, the General Council of British Shipping says in a memorandum to the Chancellor of the Exchequer.

Nearly a fifth of all UK shipping tonnage—excluding oil company ships—is owned hy family companies. "The nature of the Capital Transfer Tax is such that it may compel owners to liquidate their companies, having sold their readily realisable assets, or to sell their shares, only too probahly to overseas buyers," says the memorandum.

The Council says a large part of the world fleet is owned by individuals and family entrepreneurs who are willing to take risks and engage in sectors of the market which are not always attractive to the large public company.

The memorandum makes recommendations for reform of the current tax system. It calls for a clear qualification that both hoth Capital Transfer and Capital Gains Tax should not he levied at the same time. Present rates of Capital Transfer Tax are too high and apply to bands which are too narrow.

The Council also calls for a deferment of payment of Capital Transfer Tax in the case of gifts of sbares in family trading companies until such time as the shares themselves are sold, as is the case for Capital Gains Tax.

Tbe preferred solution in the case of Capital Gains Tax is lower rates and the removal of any liability after seven years.

LORNE BARLING looks at the industrial spin-off from aero engine power

£28.5m power station boost for Rolls-Royce order book

THE £28.5m order for Rolls-Royce to supply a gas turbine power station to Egypt has *boosted its already strong position* as the world's leading supplier of modified aero engines for industrial power plants and ships.

The company has now sold more than 2,000 gas turbine engines for these purposes in nearly 50 countries and recent *energy problems* have greatly improved the prospects for sales, either as easily installed electricity generating stations or in the recovery of oil and gas reserves.

Under the Egyptian contract, Rolls-Royce will supply a complete station powered by Olympus turbines, originally developed in the 1950s for the Vulcan bomber and later used as the basis for the Concorde engine. About 450 of these units have now been sold for use in ships or as power plants.

Although this spin-off was never envisaged during development, Rolls-Royce's industrial and marine division sees great scope for the use of the new RB-211 engine, already being used for gas pumping in Canada, the U.S. and Holland.

Work is now being carried out to prepare it for use in liquid natural gas (LNG) carriers, where gas boil-off can be used as fuel, and in icebreakers where exceptional power is required.

The earliest industrial use of the Olympus engines was by the Central Electricity Generating Board as standby units at large steam power stations, where their quick start-up was ideal for boosting output when necessary.

Then, at about the time of *the 1973-74 oil crisis, overseas* demand for complete power stations based on the Olympus began to take off, particularly in the Middle East, and orders were secured in Saudi Arabia and Iran, where previously flared gas could be used as fuel.

The main advantage of these plants is their low initial cost—*far below that of a conventional* power station—the small site area needed, speed of installation and their flexibility.

Plants have also been installed in South Africa and Malawi, and Rolls-Royce now believes it has good prospects for a number of contracts in *South America*, the Far East and for offshore oil operations.

The first Olympus set for this purpose is to be installed soon in the North Sea on Conoco's Murchison platform, providing 30 MW of power at the comparatively low weight of 264 tonnes.

The Olympus has also proved *successful in powering* warships for the Royal Navy and 15 foreign services, again giving the advantage of fast start-up. These are often used in conjunction with Rolls-Royce Tyne units as cruise engines.

However, the company's most widely sold industrial gas turbine is the Avon, developed about 30 years ago and used in the Comet airliner. It now provides power for pipelines and offshore platforms in many parts of the world, including the Soviet Union's Chelyinbinsk gas pipeline which has 42 units.

Nearly a thousand of these turbines have been sold and *account for nearly half the out*put of the industrial and marine division at Ansty, near Coventry, which in turn provides about 10 per cent of Rolls-Royce's total turnover.

The Avon has sold consistently for *industrial purposes* due to its reliability during long use under rigorous weather conditions, and is gaining a similar reputation operating offshore on major platforms in the North Sea.

Until 1971 Rolls-Royce engines sold at an average rate of 77 a year for other than aero purposes, *but* since then this average has risen to 125 a year and is still increasing.

With a considerable number of pipeline projects now planned worldwide including those in Mexico, the *Arctic* and Italy, the company believes demand will continue to be strong. It has *already sold Avons to Pemex,* the Mexican national oil company.

Rolls-Royce also believes that, with its range of engines from 1,000 to 40,000 horsepower, there are new applications which will provide orders.

However, the division has benefited without significant cost, from the very large *sums* spent on the development of its basic range of engines, often under Ministry of Defence contracts and their modification has been relatively inexpensive.

The job of adapting the RB 211, which was largely responsible for the financial problems of Rolls-Royce due to *its high* development costs, *is* now virtually complete but has been complex and costly since it is a more sophisticated unit.

A Rolls-Royce Avon engine is installed in the compressor house of a new fertiliser plant in Quatar, under construction by Richard Costain Process Engineering. The Middle East order is for Rolls-Royce.

Campaign to attract more engineers

By Our Own Correspondent

BRITAIN'S engineering training *system must* be completely updated and revitalised to face the challenge of the 1980s, Mr. John Halbert, president of the Machine Tool Trades Association, said last night.

"Our object must be to promote the industry to young *people as an exciting and* satisfying path to follow," he said.

Mr. Halbert, chairman of ABMTM (formerly Associated British Machine Tool Makers), speaking at the MTTA's annual dinner in London, said the industry's move to more modern technology would have to mean change.

But new technology was not the only ingredient of success. *Just as important was a* new look at job and carreer prospects in the industry.

Reviewing the performance of the machine tool industry in the past year, Mr. Halbert said the industry, though small, was "a vital ingredient in the country's economic prosperity."

A 63,000-strong workforce produced £950m a year of machine tools and associated equipment. In spite of much public criticism and ill-informed advice, usually stemming from ignorance, 75 per cent of machine tools used in the UK were British-built.

World markets had become *increasingly sophisticated and* demanded the most advanced products and equipment available, which Britain must produce at a more economic rate than anyone else in the world.

To promote the industry as a career prospect, special opportunities would be given to students to visit the job stand at Mach 80—the international machine tool exhibition to be held in Birmingham from April 22 to May 2.

Post Office chief rejects criticism of mail service

BY JAMES McDONALD

SIR WILLIAM BARLOW, chairman of the Post Office, yesterday reacted angrily to an attack on the organisation's efficiency made by the Mail Users' Association.

The Association, which represents *commercial* users of the postal services, forecast imminent cuts in postal service staff because of failures to improve productivity.

In evidence to the Post Office Users' National Council on mail increases scheduled for February 4, 1980, the Association said increases of this order, when taken with those of August and October 1979, and "with the inadequate service which has characterised postal performance," are "an indication of deep-seated problems."

February's scheduled increases are 2p in basic letter-rate, 30 per cent first-class, 25 per cent second-class, with 22 per cent on parcels and 23 per cent on printed paper.

The Association said users will respond to increases of this order by cutting mailings and, once again, the Post Office is on the brink of *falling into a cycle* of rising tariffs and falling traffic.

"If there are similar increases in 1980-81, and service does not improve, there will simply not be sufficient mail in the system to support the *present* pattern of deliveries and collections."

The organisation suggests postal management's pay is out of line with the private sector, the latest pay award meaning that senior management salaries start at £10,000 a year.

"In the private sector £10,000-a-year entails considerable responsibility, seniority, and an expectation that penalties will follow failure. The Association considers that postal management—if they mean business about turning the organisation round—*will* be prepared to waive increases and forgo perks until after the end of the financial year."

Perks

Sir William Barlow said the Association was a pressure group with only about 250 members. They had a vested interest in postal rates. He denied that postal management was overpaid. Low pay over a period of years might well have had an adverse influence.

"MUA's call to forgo perks is ridiculous," Sir William said. "I have never run an organisation with fewer perks than the Post Office. All Post Office managers pay their own telephone bills, drive their own cars and operate under strict expenditure control.

"It is expensive to operate manually-dependent services like the Royal Mail under inflation conditions and that is why prices will have to be increased. Failure to pay the rate for the job, either of postmen or managers, will only make matters worse."

He condemned the attack on postal personnel managers, who compared well with professionals in the private sector.

● If the Post Office letter-monopoly were ended, the Greater London Council, like other large users, could expand its own delivery service, the GLC policy and resources committee said in evidence to the Monopolies Commission on the quality and reliability of the letter-post in London. It said London's postal system badly needs an overhaul.

The quality of the letter-service had been considerably reduced, particularly in the past few years. In the GLC's experience, the Post Office did not now achieve its delivery targets, even from Tuesdays to Saturdays. More than 10 per cent of first-class mail failed to achieve next-day delivery and a similar *percentage of second-class mail* was not even delivered by the third working-day after posting.

Boarders cleared of causing affray

TWO MEN who led a 40-strong boarding party on to an oil tanker at Le Havre, nearly three years ago because the crew had refused orders to unload the ship were acquitted at the Old Bailey yesterday of causing an affray.

Judge Charles Lawson, QC, directed the jury to find Raymond Miller, 33, a trawler skipper from Grimsby, and Alistair Glennie, chief accountant of the shipowners Globtik Tankers, of Courtfield Gardens, Earls Court, London, not guilty after submissions that there was no case to answer. Both men were discharged.

The Judge told the jury that the Crown had not proved that the two men were not justified in taking the steps they did.

There was no doubt that 40 men were taken from Grimsby to London and on to Le Havre and that they had with them axes and torches.

"There is no doubt that they appeared on the quayside and were instructed to act in an orderly fashion. But at some stage a gentleman shouted 'Let's get the bastards.'

"Thereafter there was the charge of the light brigade, and pandemonium broke out."

The Judge added that the *Filipino* crew of the tanker Globtik Venus were at least 60 yards from the gangplank and took no part in anything that happened.

On the deck they abandoned knives and backsaw blades and other weapons they had with them, and peace soon reigned on the mess decks, with the *Filipinos playing Scrabble* with the boarding party.

There was no evidence that Glennie intended that it should be anything other than a peaceful operation. Miller, it would seem, did lose control

Earlier, the judge told the jury that the crew had caused a fire hazard by refusing to unload the tanker.

Haddow in switch to Ultramar

By William Hall, Shipping Correspondent

BOB HADDOW, who was brought in from Amoco to help solve Burmah Oil's tanker problems, is to take charge of the shipping operations of Ultramar, the independent UK oil company.

Mr. Haddow joined Burmah Oil four-and-a-half years ago and was appointed to the main board in January last year. He has played a leading role in helping Burmah sort out its tanker problems. His replacement at Burmah is Mr. S. E. N. Pollock.

Ultramar, which has small refineries in *Quebec,* Newfoundland and California, has been disposing of its wholly-owned *foreign flag* tankers. *It* has relied increasingly on the spot tanker market for its transport requirements.

Ultramar has 20-year time-charters on four American ships of which two 90,000 dwt tankers are employed by Ultramar.

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Shell plants face threat of 24-hour strikes

BY NICK GARNETT, LABOUR STAFF

SHELL'S REFINERY and chemical inatallations face a series of 24-bour strikes by mannal workers unless the company substantially improves its pay offer within the next week.

Mass meetings this week overwbelmingly rejected the company's 18 per cent offer and empowered the negotiators to call a series of stoppages if Shell Oil and Shell Chemicals do not make significant improvements on the nffer by next Tuesday.

Management has made an offer worth 18 per cent on rates and bas agreed to pay the new rates, in effect, three months before they would normally be due.

The pay anniversary date for the 2,600 mannal workers. is January, but new payments will run from October this year.

Shell which supplies a fifth of the UK oil market, said yesterday that it was studying tbe possible impact of such industrial action but that, at least in the short term, it believed it wonld be fully able to meet customer demand.

Affected by industrial action would be the big Carrington cbemicals complex in Manchester, Shell Haven, Stanlnw in Cheshire, Teesport in the north-east and Ardrossen in Scotland.

Union negotiators bave submitted a claim for increases of 40 per cent, a sborter working week and improved allowances.

The company has said that its offer is final. It basically took that position wlth its tanker drivers but evenually decided to improve tbe offer to 22.23 per cent including a lump sum payment of £150.

Sbell is anxious not to go beyond that kind of pay offer unless it is through genuine productivity bargaining.

● BOC said yesterday that the overtime ban and work to rule by its gases division manual workers would be lifted this morning to allow further pay negotiations between tbe company and union officials today.

The talks will centre on a longer deal than tbe 13¼ per cent over eigbt months already rejected by the drivers and cylinder handlers.

Boyd calls for pay 'forum'

A PAY fnrum based on the TUC General Council and representatives nf Employers' Associations with power to issue pay guidelines has been suggested by Sir John Boyd, general secretary of the Amalgamated Union of Engineering Workers.

The General Council should be reorientated and be a full-time elected body, quite divorced from individual union responsibilities. It, together with employers' association representatives should examine in depth the economic and financial condltion of major industries aod companies and reach "broad general conclusions about the facts," be said.

These findings would be related as guidelines within which settlements would be negotiated. Sir John said the new-style General Council should have the power, after consulting with employers, to adjudicate internal union differences on various pay levels for specialist skills.

He was speakiog at a Financial Times conference nn establishing a framework fnr Industrial Relations in the 1980s. The aim nf his proposals, he said, was to place responsibility for settlements in individual industrial seciors on the unions and employers involved.

Differentials would play a more important role in negotiatinns in the 1980s, Sir John aaid. Craftsmen's differentials wnuld be increased.

Unless the anomalies of the present "jungle" of free collective bargainings were tbinned out, the Government, irrespective of its attitude to pay controls, would "need to become involved, no matter how it may be able to cleverly camouflage its involvement."

Employers in the current pay rouod should take note of other settlements. People should accept certain disciplines as far as pay was concerned.

"If we go on as we are," he warned, "we will accelerate the pace with which we are already approaching the state in our country nf high wages, inflatinn and poverty."

FINANCIAL TIMES
Industrial Relations
CONFERENCE

Booth seeks framework for labour relations

INDUSTRIAL RELATIONS in the 1980s sbould be built on a framework of organisations set up in the 1970s, Mr. Albert Booth, Employment Secretary in the last Labour Government, told the conference.

Organisations such as the Manpower Services Commission and the Advisory, Conciliation and Arbitration Service offered a base for co-operation between Government, trades unions and employers' associations. However, tripartite bodies wonld not be able to attract members of the bigbest calibre unless there was continuity of policy.

Referring to the role of ACAS in recognition disputes—as set nut in one of the Government's working papers on industrial relations law reform—Mr. Booth said he thought no Conservative Government would be able to define precisely a method for recognition procedures. Experience in other countries showed that definitions had not solved industrial relations prohlems.

Mr. Booth said he would like to see recognition disputes given to an organisation consisting of trade unioo representatives and employers' representatives and divorced from ACAS. He criticised tbe way some judges bad interpreted the Employment Protection Act and said the interpretations gave clauses a meaning tbey did not have in any "commonsense reading of Englisb."

The Act sbould bave contained clauses dealing with tbe problems of picketing, Mr. Booth said. He regretted the Labour Government had not tried to deal more seriously tban it did with picketing. It had a better opportunity than most governments to gain acceptance of a clearer definition.

Low growth 'hits industrial relations'

THE KEY factors in British industrial relations were the low rate of economic growth and rising social expectations of the workforce, Mr. Jim Mortimer, chairman of the Advisory, Conciliation and Arbitration Service said in his summing up of the conference.

The problem of low growtb in the British economy went back 100 years. The outlook over the next two years was not encouraging with investment declining, growing unemployment, the economy at best stagnant. This basic problem manifested itself in the climate of industrial relations and any advantage any groups won wuld be att he advantage of other groups.

Mr. Mortimer aaid be was not convinced of the arguments expressed at the conference in favour of increasing pay differntials. In a no-growth economy this would mean the poor would be made even poorer. There was no agreement on the criteria to be used for wage increases.

The Government clearly bad an incomes policy for the five or six million workers in the public sector be said. The New Earnings Survey bad sbown that earnings in the private sector were still setting the pace despite the events of last winter

Blastfurnacemen may strike over British Steel's closure plans

BY CHRISTIAN TYLER, LABOUR EDITOR

THE THREAT of retaliation against the Britisb Steel Corporation's closure programme emerged yesterday from an unexpected quarter.

The National Union of Blastfurnacemen decided to recommend its members to vote for strike action in support of colleagues faced with closure. If the vote is in favour, tbat would mean a national strike Mr. Hector Smith, general secretary, said.

So far, the NUB bas often been the first to accept a closure—and it remains to be seen wbether the 14,300 members support the recommendation of their national executive committee in lodge (branch) meetings or ballots.

With workers at one of the threatened plants, Shotton in North Wales, now resigned to closure, yesterday's call refers principally to Corby Northants, where resistance is strong.

Mr. Smith said yesterday: "If the vote goes our way, there will be a complete stoppage. We are not messing about."

About 3,000 Corby workers yesterday voted by a large majority—but not unanimously—to continue the figbt against the BSC's plan to end Iron and steelmaking there. About 5,500 jobs out of 11,000 are threatened.

There was also talk nf a secret ballot of the workforce, and a suggestion to that effect may be passed to leaders nf the biggest steel union, the Iron and Steel Trades Confederation.

In London the Confederation's executive met to discuss the closures at Sbotton, Corby and also in Cleveland. The ISTC bas threatened industrial action — probably starting with an overtime ban — but is awaiting tbe decisions of nther unions on the TUC steel committee.

Last nigbt, Mr. Bill Sirs, general secretary, said the union was convinced BSC was wrong tn close Corby steelmaking, but admitted there were some union "waverers." His union would force the BSC to reconsider, be said, and a meeting with BSC management looks likely.

Although there was now no mood for a fight over Sbotton, the union would be pressing BSC to retain the bot rolling mill and increase the throughput of the cold mill.

The ISTC does not want a national strike that would instantly shut down the industry, but to take sufficient action to force the Corporation to change its plans for Corby.

TUC to warn Prior over legal changes

BY NICK GARNETT, LABOUR STAFF

THE TUC will tell Mr. James Prinr, Employment Secretary, next Thursday that the Gnvernment's working paper on proposed legislation covering union recruitment techniques conld have severe repercussions on what union officials helieve to be acceptable union activities.

Implicatinns nf legislative changes proposed in the Gnvernment's latest wnrking paper—wbich followed the Leggatt report intn recruiting methods adopted by the print uninn SLADE—are nnw seen by the TUC as nf special importance.

They will be stressed by union officials during the meeting with Mr. Prinr at which the TUC will repeat its condemnation of proposed law refnrms covering the closed shop, picketing and secret ballots.

The report, by Mr. Andrew Leggatt, QC, said that SLADE bad used coercinn to recruit employees in artwork and advertising.

The Government wants the law to provide protection against such action by enabling redress to be sought in the courts.

Members of tbe TUC's employment policy and organisatinn committee, wbich met yesterday, believe sncb legislation conld have a dramatic effect on recrultment activities operated by hlgger indnstrial uninns such as the Transport and General Workers Union, where the focus of union recruitment actlvity is localised.

Snch activity sometimes inclndes workers refusing to work with non-union staff or declining to bandle work emanating from non-union labour.

There is also some feeling tbat proposed legislatinn, particularly on the closed shop could affect the operation of the TUC'a nwn disputes procedure.

A special conference in London of np to five representatives of TUC-affiliated uninns is being nrganised for late January as part of the TUC's social and economic campaign against inflation, unemployment and puhlic spending cuts.

Redundancy pay is handed out too freely, says judge

REDUNDANCY compensation paid to unwanted workers, partly from the public purse, is handed out far too freely, a jndge said yesterday.

"These days, the provisions relating to redundancy payments are often used to justify hriefs to go quietly," said Mr. Justice Kilner Bcown, presiding at the Employment Appeal Tribunal.

The judge said it was sometimes forgotten that one of the main purposes of the Redundancy Payments Act was to make it easier to transfer labour from one area to another.

He was giving judgment dismissing appeals by two supervisory workers, backed by the engineering union, wbo had sought unfair dismissal compensation.

Both had been treated as redundant by a company whicb found it was overmanned. They accepted sums purporting to be redundancy payments.

They wanted more — in the form of unfair dismissal awards. Their claims were made on the basis they bad been made redundant unfairly.

But an industrial tribunal found against them and yesterday the EAT dismissed their appeals against the finding.

The two bad worked for Rotaprint Ltd., of Wear West, Wasbington, Tyneand Wear.

Further threat to talks

BY OUR LABOUR STAFF

MERGER negotiatinns among staff bodiea in the banking industry moved further towards collapse yesterday wben the staff association at Natlonal Westminster followed eolleagues at Llnyds in proposing to withdraw from the talks.

Tha management committee of the National Westmlnster staff association is recommending to its executive council next montb that it shonld refuse to take part in further merger discussions under tbe supervision nf Dr. Tom Jobnston, chairman of the Scottish Manpower Services Committee.

British interests 'seriously damaged' by Blunt spying

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

BRITISH INTERESTS were seriously damaged by the activities of Professor Anthony Blunt, Mrs. Thatcher said yesterday. He regularly passed to the Russians "anything that came his way" during his period with the intelligence service from 1940 to 1945, she told the Commons.

Opening the emergency debate on the Blunt affair Mrs. Margaret Thatcher said that it was unlikely that British military operations or lives had been at risk as the result of his activities.

She explained that the Attorney-General in 1964, Sir John Hobson, had offered Mr. Blunt immunity in return for information about Russian intelligence activities and about his association with the spies Guy Burgess, Donald Maclean and Kim Philby.

Burgess, she said, had used Mr. Blunt as his contact with Soviet control to help with arrangements for Maclean's flight to Moscow.

The Prime Minister also told the House that apart from this and his wartime activities, Mr. Blunt had on one occasion between 1951 and 1956 assisted Philby in contacting Russian intelligence.

Mrs. Thatcher said that the security service had scrupulously followed procedures in making sure that their political masters were given details of the affair.

Lord Brooke, the Home Secretary at that time, now recalled that he had been informed.

But there was no record as to whether he had passed the information on to Lord Home, who was then Prime Minister. Neither Lord Home nor Lord Brooke could recall discussing the matter.

She added, however, that successive Prime Ministers and Home Secretaries since 1967, had been informed about the position of Mr. Blunt.

It was also brought to the attention of successive Attorney-Generals in 1972, June, 1974, and June, 1979.

The Prime Minister did not entirely clear up the crucial point as to whether the Queen had been personally informed of Mr. Blunt's confession in 1964.

Mrs. Thatcher said that Sir Michael Adeane, the Queen's Private Secretary, had asked what action the Queen was to take if Mr. Blunt confessed.

The Private Secretary had been advised to inform the Queen that no action should be taken. Mrs. Thatcher did not say, however, whether this advice was actually passed on to the Queen.

Nor did she go into the question of whether other Soviet agents had been offered similar immunity to Blunt.

She stressed that because some of the main figures had long since retired and others were dead, it would never be possible to establish all the facts of the case.

At this, there were indignant cries from the Labour benches of "What about those who are still alive?"

Mrs. Thatcher said that Mr. recruited for Russian intelligence when he was at Cambridge before the war. He joined the security service in 1940.

Mr. Blunt confessed that from 1940 to 1945 he regularly passed to Russian intelligence anything that came his way which would be of interest to them.

Mrs. Thatcher leaves Downing Street before the debate on the Blunt affair.

Roger Taylor

It was not known exactly what information he had access to.

It was from this that it was concluded that although British interest was seriously damaged by his activities it was unlikely that military operations or British lives were put at risk.

The story that he jeopardised the lives of secret agents in the Netherlands was without foundation, said the Prime Minister.

He was never in the special operations executive which had been in charge of the intelligence effort in Holland with the underground movement.

After he left the secret service in 1945 and resumed his career as art historian, he ceased to have access to classified information. From 1945 to 1951 he passed no information to the Russians.

In May, 1951, an investigation which had continued for some years caught up with Donald Maclean. It was Philby who warned Burges to tell Maclean that he was about to be interrogated.

"And it was Burgess who used Blunt as a contact with a Soviet controller to help with the arrangements for Maclean's flight to Russia, a journey in which he was joined by Burgess," said Mrs. Thatcher.

Although Mr. Blunt had admitted that on one occasion between 1951 and 1956 he assisted Philby in contacting Russian intelligence, he said that he had no contact with Russian intelligence since then.

Mr. Blunt had come under early investigation in the inquiries following the defection of Burgess and Maclean. This was because Burges had been heard to say in 1937 that he was working for a secret branch of the Comintern and that Mr. Blunt was one of his sources.

Mr. Blunt denied this but remained under suspicion and was the subject of intensive investigation. He was interviewed 11 times over the following eight years but persisted in his denial and no evidence against him was obtained.

Until his confession, the authorities did not know the extent of his involvement with the Russians or the period over which it lasted.

Early in 1964, new information was received relating to an earlier period which directly implicated Mr. Blunt. The Prime Minister could not disclose the nature of that information but it was not usable as evidence on which to base a prosecution.

In this situation, the security authorities were faced with a difficult choice, said Mrs. Thatcher.

They could have waited in the hope of further information which could be used to prosecute Mr. Blunt.

But, after inquiries which had been going on for nearly 13 years, there was no reason to expect that a further wait would yield more evidence.

Alternatively, they could have confronted him with the new evidence to see if it would break his denial. Yet if the security authorities confronted him with the new information and he still denied it they might alert him to information he could use to warn others.

It had, therefore, been decided to ask the Attorney General, through the acting Director of Public Prosecutions, to offer Mr. Blunt immunity from prosecution if he confessed and agreed to cooperate in further investigations.

Sir John Hobson, the Attorney-General at the time, decided it was in the public interest to offer immunity and to this day there was no evidence which could be used for a prosecution against Mr. Blunt.

Mr. Blunt had confessed and both at that time and subsequently had co-operated with the inquiries of the security authorities.

After the Attorney-General's authority to offer immunity had been given, the Queen's private secretary was invited to a meeting with the Permanent Secretary at the Home Office and the Director General of the Security Services.

The private secretary was told that Mr. Blunt was suspected of having been a Russian agent, and would be granted immunity if he confessed.

Mrs. Thatcher went on: "The private secretary asked what action the Queen was advised to take, if Mr. Blunt confessed. He was told that the Queen was advised to take no action.

"Any action would, of course, have alerted Blunt's former Russian controllers and others who were already under suspicion to the fact that he had confessed and could well be providing information to our security authorities.

"After Blunt had been interviewed and had confessed, the Palace duly followed the advice that had been given."

BL sacking complaint

BY ELINOR GOODMAN

MORE than half the Parliamentary Labour Party have signed a motion condemning BL's "provocative action" in sacking Mr. Derek Robinson, the shop steward accused of trying to undermine the company's recovery plan.

The sponsors of the motion, so far signed by 140 MPs, include Mr. Stan Orme, a shadow cabinet member.

The motion has been worded to attract support from MPs who might otherwise be apprehensive about appearing to support a man who was trying to impede BL's recovery.

It claims that Mr. Robinson was sacked for exercising his "traditional rights of freedom of speech" and says that this action is anti-democratic and harmful to good industrial relations in BL.

It calls for his "speedy reinstatement."

Tory backbenchers are delighted by the number of Labour MPs who have supported the motion. They believe that it can do Labour only harm with the electorate to be seen to be supporting Mr. Robinson—particularly after the BL workforce has endorsed the management's recovery plan.

This view is shared by some shadow cabinet members.

Delayed payments

BY OUR LOBBY STAFF

LABOUR MPs immediately leaped on reports that the Government was considering paying various social security benefits fortnightly instead of weekly and claimed that they would cause considerable hardship.

Referring to a report in yesterday's Financial Times that the Department of Health and Social Security was examining cost-cutting plans to pay retirement pensions fortnightly and child benefit payments monthly, Mr. Jeff Rooker, the Opposition health spokesman, promised that the Opposition would resist such changes.

Labour might get the support of a few Tory left-wingers in opposing these changes if the Government decides to go ahead with them, though the majority of Conservatives would probably regard them as a sensible economy.

Mr. Rooker said that if retirement pensions were paid once a fortnight it would cause considerable hardship to many pensioners who budgeted weekly "to the last few pence of their pensions." As for the suggestion that child benefit payments might be paid monthly, this would cause "untold hardship to mothers" since school dinners would have to be paid for weekly.

Welsh seek private sector finance

BY ROBIN REEVES, WELSH CORRESPONDENT

THE WELSH Development Agency (WDA) is to make strenuous efforts to generate finance for its operations from the private sector, Mr. Nicholas Edwards, the Secretary of State for Wales, told the Commons Welsh Grand Committee yesterday.

Opening a debate on the Welsh economy, Mr. Edwards said he had asked the agency to make full use of its assets as a catalyst to stimulate private sector investment in Welsh industry.

"I think it is absurd that a body like the WDA should confine its operations solely to what we are able to allocate it from public funds," he said.

The WDA had to take its share of public expenditure cuts and, excluding the special provision of £15m towards offsetting the effects of the Shotton closure, these amounted to about £10m (down to £30m) on previously planned expenditure.

But this was not the limit of special aid to Shotton, Mr. Edwards stressed.

Additional help could be expected from the WDA's normal budget.

The Government intended to "exploit the potential for co-operation with the private sector, either through the WDA or separately. It may take some time fully to develop that potential. But make no mistake, the potential is there."

Mr. Edwards said he hoped soon to announce a further 28 advance factory lettings in Wales. This was on top of the record 131 lettings, promising over 4,000 jobs, already allocated this year.

More than 100 other units, totalling threequarters of a million square feet and promising a further 4,000 jobs, had also been provisionally allocated.

He had also asked the WDA to give priority to factory building, provision of infrastructure and derelict land clearance rather than investment.

The reduced investment programme should concentrate on the small business sector, he said.

"There is really a great deal of evidence that, apart perhaps for small businesses, finance is almost always obtainable for viable projects.

"There is evidence too that some of the agency's investments have been in companies which could quite easily have obtained their funds elsewhere."

Suggestions that the Government's public expenditure cuts and regional policy changes were undermining the Welsh economy, the structure of local government, and destroying the welfare state were hysterical and ludicrous.

Despite problems, the economy of Wales was changing, developing and re-creating itself with encouraging vigour, he concluded.

Mr. Alec Jones, the shadow Welsh spokesman, said the Government's regional policy cuts had delivered a hammer blow to the efforts to attract industry. This would have damaging long-term consequences for the Welsh economy.

He was highly critical both of the re-drawing of the regional aid map and the relaxation of industrial development certificates for factories up to 50,000 sq. ft.

Developments of this size accounted for a large proportion of the projects which have been persuaded to locate in Wales by the IDC controls, but which would not go "where the going was easiest."

On the British Steel Corporation's controversial increase in coking coal imports, Mr. Jones urged the Government to intervene on the grounds that it was in the national interest to bring the prices of domestic and imported coal together.

Last year, West Germany had subsidised its coking coal industry to the tune of £274m whereas in Britain the aid to the NCB was only £7.7m.

Mr. Edwards earlier said that talks were taking place between the BSC and NCB and the Energy Secretary would consider carefully any proposals brought forward. But it did not make sense for one nationalised industry to incur substantial losses to support another.

Government 'failed to consult' Board

SIR LESLIE MURPHY made the following statement when he resigned as chairman of the National Enterprise Board:

"I was asked by Sir Keith Joseph to a private meeting with him on November 6, 1979. At that meeting Sir Keith Joseph told me that Sir Kenneth Keith would be resigning as chairman of Rolls-Royce at the end of the year and that Sir Frank McFadzean was to be appointed chairman in his place. The Government would also, as soon as the current Bill had been enacted, take responsibility for Rolls-Royce back from the National Enterprise Board.

"I have no confidence that Ministers advised by civil servants who have no business experience are competent to discharge the tasks previously carried out by the NEB."

"I asked what was the justification for this action. I pointed out that the NEB had been dissatisfied with the performance of Rolls-Royce for a long time.

"Its attempts to bring about an improvement in performance under the existing management had not been successful and in December 1978 the Board had decided that it was necessary to change the chairman and to appoint a chief executive. Although the NEB had done this in the case of BL, it had been frustrated by Government in doing so in the case of Rolls-Royce.

"I then formally asked the Secretary of State to reconsider his decision and to see the Board of the NEB.

"This meeting took place on the evening of the next day, November 7. During the course of that day I received a letter from Sir Michael Edwardes stating that his Board considered that a direct relationship to the Government was essential and that if Rolls-Royce was in future to report directly to the Government it would be illogical for BL to remain under the aegis of the NEB.

"At the meeting with the Secretary of State, the Board of the NEB stated that his action in backing a subsidiary company of the NEB against the Board of the parent company would put them in an impossible position. It was also intolerable that the Secretary of State should have taken these decisions without any consultation with the chairman and Board of the NEB.

"If the Secretary of State persisted with his proposal, the Board of the NEB would have no alternative but to resign. The NEB would wish to avoid such an extreme and damaging course.

"The NEB therefore suggested that alternative arrangements should be explored to enable the existing framework of the NEB to be retained.

"No further consultations between the Secretary of State and the chairman and Board of the NEB have taken place.

"I still remain convinced that a body like the NEB is essential to deal with Government involvement in industry and to act as a bridge between the public and the private sectors."

"The Board was asked to see the Secretary of State on the evening of November 20 and was informed that the Government would go ahead with its intention to take Rolls-Royce from the control of the NEB as soon as the Industry Bill was passed into law. The Board of the NEB then confirmed to the Secretary of State that it would accordingly resign.

"I very much regret that events have taken this course. The NEB has throughout insisted that commercial disciplines must be followed in the companies in which it invests.

"I still remain convinced that a body like the NEB is essential to deal with Government involvement in industry and to act as a bridge between the public and the private sectors. I have no confidence that Ministers advised by civil servants who have no business experience are competent to discharge the tasks previously carried out by the NEB.

"As to the rest of the NEB's activities, I think it is of the utmost importance that they should continue. The NEB has investments in 61 companies other than Rolls-Royce and BL and I very much hope that the new board will carry on the policies which were initiated by the board of which I had the honour to be chairman.

"I wish to place on record my appreciation of the loyalty and untiring efforts of the staff of the NEB and my wish that they will continue to serve the new board."

Joseph names first five NEB replacements

SIR KEITH JOSEPH, Secretary of State for Industry spoke to Parliament yesterday about the relationship between Rolls-Royce and the National Enterprise Board. He said: "I should like to make a statement on the relationship between the National Enterprise Board and Rolls-Royce.

"I have had in recent months, to consider the relationship between the NEB and Rolls-Royce in the light of evidence of aome friction over a considerable period.

"I have concluded that the *friction is not a passing problem* of personalities or a difference of opinion on the management of the company but is inherent in the relationship and would almost certainly survive a *change of management*.

"Rolls-Royce is a company of a scale and importance such that the supervision of its Board by another Board, however eminent and accomplished is bound to give rise to strain.

"Moreover, it is a company with which, inescapably, Government has exceptionally close connections and where important decisions lie directly with Government.

"I therefore decided that in view of these two considerations, from which there is no escape, it would not be right to paper over the cracks but rather to plan to remove the source of the *difficulty*.

"Clause 2 of the Industry Bill now before the House will give me power to direct the NEB to transfer its shareholding in Rolls-Royce to the Secretary of State, and I told the NEB of my inteotion to make such an order as soon as the Bill becomes law.

"This decision was in no sense whatsoever a reflection on the members of the NEB or their staff. Rather, it is a judgment that the role they had been given in relation to this major company was, in the last analysis, not an appropriate one.

"When I expressed to the NEB my intention, I was told categorically that were I to adhere to my *proposal* all the members of the Board would resign. I was asked to re-consider. This I did.

"Yesterday, I told the Board that I did adhere to my proposal. The House knows *that* the chairman, Sir Leslie Murphy, and all the members of the NEB, have resigned from their posts.

"I have accepted their resignations with regret. *The* Board was composed of distinguished people from business and trades unions who co-operated together to serve the country with dedication.

"I hope this *form of co-operation* will become possible in the new Board.

"The NEB has, as the House knows, important disposals to arrange and other continuing *tasks to perform. It will have* a catalytic investment role especially in connection with advanced technology and increasingly in partnership with the private sector, as well as its regional and small firms roles.

"I am glad to tell the House that Sir Arthur Knight, chair*man of Courtaulds*, has accepted my invitation to take over the chairmanship of the NEB with immediate effect.

"Sir John King, chairman of Babcock International, has accepted my invitation to become deputy chairman and five other persons have similarly indicated their willingness to serve:

- Mr. *Robert Clayton*, technical director of GEC.
- Mr. Alec Dibbs, deputy chairman of National Westminster Bank.
- Mr. George Jefferson, chairman and chief executive of British Aerospace, Dynamics Division.
- Mr. Dennis Stevenson, chairman of Peterlee and Newton Aycliffe New Towns.
- *Mr.* John Caines, secretary to the NEB.

"I am deliberately leaving some places vacant. I have today written to the TUC about this.

"*The House will wish to know* that, following the recent announcement that Sir Kenneth Keith wishes to retire from the chairmanship of Rolls-Royce after seven years service, Sir *Frank McFadzean has indicated* his willingness to accept appointment as chairman."

Freddie Mansfield

Sir Leslie Murphy

Murphy cites lack of support

SIR LESLIE MURPHY resigned yesterday as chairman of the National Enterprise Board. The text of his resignation letter to Sir Keith Joseph, Industry Secretary, follows:

During the time that I have been chairman of the National Enterprise Board, I have endeavoured to follow policies which would command the widest possible support and would help to remove the NEB from the realm of party politics.

It has been an essential part of the policy followed by me and my board that the companies for which the NEB was responsible should follow commercial disciplines.

I very much regret that you have not supported the board of the NEB in its efforts to bring about a more efficient management and a stricter commercial and financial discipline in Rolls-Royce and to establish an effective working relationship between the company and the NEB.

In the light of your decision I feel that I have no alternative but to resign as chairman and member of the board of the NEB.

I do this with great regret. I still feel very strongly that there is an essential role for the NEB in its support for manufacturing industry, prticularly in relation to advanced technology, to its regional activities and in its support for small companies.

So that the NEB may continue to perform a useful and effective task, I hope that the Government will give its strongest support to the new board.

Keith welcomes decision

SIR KENNETH KEITH, chairman of Rolls-Royce said yesterday:

"I and my Board welcome the decision announced by the Secretary of State for Industry. I am sure that it is in the best interests of not only Rolls-Royce, its employees and customers, but the British taxpayer as well.

"The decision removes an anomaly that has concerned us for some time. The Government's role in the company's affairs is a unique one.

"Today's decision recognises the reality of this relationship and demonstrates continued Government support for the company's current commitments which the Board intends will be carried out efficiently and effectively."

On the company's relationship with Government, Sir Kenneth explained:

"The British Government acts in a number of capacities towards Rolls-Royce—as owner, as guarantor, as sponsor of our many international collaborative projects, and, not least, as our biggest single customer.

"Effectively, all matters of corporate finance are directly related to Government, and it is only Government that can give the necessary degree of support that our customers require for the very long-term nature of our business.

"Inserting a layer of bureaucracy, with no financial resources of its own, between Rolls and the Government in these circumstances was bound to create a number of irrelevant problems.

"All major policy decisions have always been taken by the government who have never ceased to monitor the company's performance closely."

On the company's future needs for financial support, Sir Kenneth said: "Rolls has never asked the Government or anyone else for £700m, as has been widely reported, and we have no plans to do so.

"Finance will be required to 1981, primarily to cover continued development of the RB211 engine family and the cost of financing increased workload in our factories which results from a substantial and expanding order book.

"We have already agreed with the Government that we shall seek £200m from the private sector and a similar amount of equity and loan finance is being sought from the Government, part of which has already been received.

"The company does not at present see a need for further substantial sums in 1982 onwards.

"Rolls faces a future of considerable potential growth and prosperity. Given appropriate Government support in the short-term and improved productivity in our factories the company's future is assured."

Friction 'justified changes'

BY IVOR OWEN

A CLEAR HINT that BL, like Rolls-Royce, is likely to be freed from supervision by the National Enterprise Board was given by Sir Keith Joseph Industry Secretary in the Commons yesterday.

He indicated the Government's thinking when replying to an Oppositioo attack on his insistence that the State bolding in Rolls-Royce should become the direct responsibility of the Department of Industry, despite the unprecedented resignation of the entire membership of the NEB Board.

Sir Keith, who maintained that the friction which had extended over a considerable period between the management of Rolls-Royce and the NEB justified the change imposed by the Government, also spoke of "friction" between BL and the NEB.

Bot in pointing to the similarities in the position of BL and Rolls-Royce, he stated that be did not regard them as being "in any way complete."

Sir Keith emphasised: "I must listen to the case which the BL Board makes."

Leading a sustained opposition onslaught on Sir Keith, Mr. John Silkin, the shadow Industry Minister, accused him of going back on earlier promises not to interfere in the management of companies within the responsibility of his Department.

Mr. Silkin recalled that when presenting the half yearly accounts of the NEB the outgoing chairman, Sir Leslie Murphy, made a number of criticisms of the management of Rolls-Royce, particularly its financial administration.

He asked if these criticisms, inherent in the duty of the NEB and the holding company to supervise and monitor its subsidiary company, had been endorsed by the Industry Secretary.

Sir Keith replied that he adhered to the view formed over ...tween expecting a high powered Board of an important international company like Rolls-Royce being supervised by another Board, however distinguished, and then to have its results monitored yet again by the Government.

Mr. David Steel, the Liberal leader, described the announcement made by Sir Keith as "astonishing," coming from a Government so dedicated to non-intervention.

He asked if the seven new appointments to the NEB Board had been secured overnight or whether Sir Keith had been preparing the way for the "forced resignations" of Sir Leslie Murphy and his colleagues over a long period of time.

Sir Keith explained that he had prepared the way for the new appointments about "half-way" in the period between the threatened resignations by Sir Leslie Murphy and when he saw that there might be no possibility of compromise.

New team to axe intervention policies

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE ANNOUNCEMENT yesterday that Sir Arthur Knight is to be the new chairman of the National Enterprise Board marks e final break from the old-style interventionist State holding company which was originally designed by the last Labour Government.

Sir Arthur and his new Board members will bring a new style to the organisation, which has had a tumultuous four-year life at the centre of political infighting.

These external tensions should vanish, because the new team has presumably accepted that it will work within the Government's policies, so agreeing to constraints which were proving irksome to Sir Leslie Murphy, the outgoing chairman, and his former colleagues.

Whether the NEB develops into a significant industrial force in the UK or gradually withers away remains to be seen.

Certainly it will have a different nature, if only because TUC leaders are saying they will refuse to accept seats on the Board. So the board's tripartite style will vanish, although it is possible that the Government will find some other worker representatives from employee organisations outside the TUC, as the last Conservative Government did when the TUC boycotted the then National Industrial Relations Court.

The TUC believe that it has been squeezed out of one of the last national organisations where it has exercised power and influence. TUC leaders believe that at least some seoior Ministers—including maybe the Prime Minister herself—are glad to see this bappen because, in the union view, it will be easier for the Government to blame the TUC for future economic problems if old-style partnerships have been abandoned.

But the NEB itself still has a job to do, even after losing Rolls-Royce to the Department of Industry's direct control. In all it bas over 60 companies in its charge, employing over 250,000 people with an annual turnover in excess of £4bn, which makes it the sixth largest industrial grouping in the country.

But these statistics are dominated by Rolls-Royce and by Britisb Leyland wbicb is now to consider asking the Government to free itf rom tbe NEB's control—a request which Sir Keith Joseph, Industry Secretary, has said he does not favour

The third lame duck being looked after by the NEB for the Government is the ailing machine tool maker, Alfred Herbert Then there are a number of other major subsidiaries and associates They include at least four companies whose asets are to be partially or totally sold off in the coming months to raise £100m towards the Treasury's £1bn sale of Government holdings. Tbe four are Ferranti, ICL, Brown Boveri Kent, and Fairey.

The new Board will bave to decide bow fast td go ahead with these sales.

Sir Leslie Murphy bad been making only slow progress. He said his freedom of action had been constrained by statutory requirements. This made major sales unlikely until next February or March.

The statutory requirements are being changed by the current Industry Bill now passing through Parliament and Sir Arthur will urgently review wbat can be done in the meantime.

Once Rolls-Royce has gone and these asset sales bave been made, the NEB's main work will be in its entrepreneurial activities whicb cover major electronics businesses plus developing small and medium sized firms in the assisted regions of England.

Tbe electronics work is by far hte most important and bas been one of tbe main reasons for the Government keeping the NEB in being.

So an important indication of bow the NEB is to develop under its new political and industrial masters will come when tbe new Board starts to make decisions about any fresh investments.

The names announced yesterday are but tbe latest group to try to operate some form of State-owned industrial combine in the UK. A decade ago the Industrial Reorganisation Corporation had been set up by the then Labour Government, but was wound up by the Conservatives who came to power in 1970. But by 1972 that Government's famous "U turns" lead to a new Interventionist policy under the 1972 Iodustry Act and an Industrial Development Unit was set up within the Industry Department to do some of the old IRC's work and to administer the new Act's aid.

That unit remains in being, administering State aid to industry, and it has been suggested that its special expertise (it is staffed partly hy people seconded from the industrial and financial worksl might be brought to bear on Rolls-Royce.

When Labour returned to power in 1974, the NEB was created. Originally conceived by Labour's Left-wingers as an interventionist agency carving its way into the private sector, it was trimmed back when Mr. Eric Varley succeeded Mr. Anthony Wedgwood Benn as Industry Secretary.

Lord Ryder became its chairman, fresh from rescuing BL, and led the organisation in flamboyaot style till he resigned in 1977.

He was succeeded by Sir Leslie Murphy, e Labour-supporting former industriallst, civil servant and merchant banker who tried to mend the damaged reputations he inherited from the NEB's controversial past.

He disagreed with the doctrinaire views of both the Labour and Conservative Parties on industrial policy and wanted to ruo the NEB as a sort of merchant bank-cum-industrial bolding company that would take its decisions for commercial, not political reasons.

This fitted in with the Callaghan period of the Labour Government but came unstuck with the Conservative Governmeot, even though Sir Leslie woo many of his primary aims by persuading Sir Keith to give the NEB a wider role than just looking after lame ducks.

But it was a long-running feud with Sir Kenneth Keith, the extrovert chairman of Rolls-Royce, which brought the Murphy regime down. Sir Keoneth fell out with both Lord Ryder and Sir Leslie, strongly resenting, as a merchant banker himself, heing put under the NEB.

He and Sir Leslie Murpby are old merchant banking rivals and matters came to a head when Sir Leslie first asked the Government to sack Sir Ke!" about a year ago and then publicly criticised the style of management at Rolls-Royce.

Sir Leslie insisted that he had a duty gradually to remove Rolls-Royce from its lame duck status and that this meant that the Government should not agree to the aero engine manufacturer's demands for fresh aid of £500m unless a new regime was introduced.

One prohlem for the NEB is that it has never been a popular organisation and some Department of Industry civil servants are helieved to consider that they can monitor companies like Rolls-Royce just as well. Indeed it is thought that some senior civil servants did little to help the Murphy regime survive during the political storm of the past two weeks.

Sir Leslie was not consulted much during this period when it appears tbat the Government was secretly assembling Sir Arthur and his team, while giving the NEB and others the impression that a compromise was heing sought.

Sir Leslie would probahly have retired next summer when his current contract expires. The Rolls-Royce row has brought this forward, and bas proved yet another example of how difficult Britain finds it to try to have calm continuity of its industrial policy.

Ashley Ashwood

Sir Arthur Knight, the new chairman of the National Enterprise Board.

New chairman starts today

BY RHYS DAVID, TEXTILES CORRESPONDENT

ON THE day he presents the half yearly accounts for Courtaulds for the last time before retiring on December 31, Sir Artbur Knight, group chairman, will take up another and perhaps more difficult appointment —as the new chairman of the truncated National Enterprise Board.

He arrives in the middle of the biggest crisis the NEB has experienced in its hrief hlstory, with Rolls-Royce, one of its principal assets, removed to direct Department of Industry control, its other principal subsidiary BL likely to demand similar treatment, and with the NEB's own powers to intervene in the private sector heavily circumscribed by the Government.

It is a job which needs a man who is prepared to look at problems completely unemotionally, who will think through all possible complications logically, and who combines a strong personality and decisive manner with a reluctance to seek the limelight.

On this assumption the Government could hardly have found a more suitable candidate than Sir Arthur, the son of a London railway worker, a life-long Courtaulds man, and a member of the team wbich In the 1950s developed the strategy which put together Europe's biggest textile group.

Sir Arthur succeeded the mucb more public figure of Lord Kearton as chairman of Courtaulds In 1975 when the group was highly profitable but not as well equipped as it might have been to withstand the textile problems of the post oil crisis years.

Though the group is still some way from returning to its best profit performance, Sir Arthur's achievement has been to re-organise a ramsbackle structure, closing down those parts of the business wbich have no chance of recovery.

Under bis leadersblp the group has moved away from its previous emphasis on vertical integration and volume production.

Sir Arthur has allowed mucb more freedom to individual businesses in the Courtaulds' group encouraging them to sell on the basis of design and marketing skills rather than price and market strength.

Though it is the most intangible of the benefits be has passed on to the group, his policies bave resulted in an overall improvement in morale among Courtaulds' managers and a marked decline in the antipathy once held in other parts of tbe textile industry towards the group.

The prnblems of restoring morale and even credibility to the NEB after the resignation of its board are ohviously going to be of a different order, but Sir Arthur will plainly be bringing the same quiet rational approach to the task.

One of his first jobs will be to look at the question of NEB involvement in micro-electronics through its Inmos subsidiary. A tricky question of national interest is just how far should Government money be committed to a project of this kind In order to try and ensure that Britain remalns abreast of other EEC countries

Sir Arthur's vigorous though usually hebind the scenes advocacy of the importance to Britaln of retaining a textile industry for strategic, balance of payments and other reasons, suggests that he may well take a positive vlew on the need to nurture the much newer technology of micro-electronics as a national need.

One of his abiding interests hsa been government relations with industry and his thoughts from the industry's point of view — were published in a hook — Private Enterprise and Public Intervention, which charted Courtaulds' experiences in dealiogs with civil servaots and ministers. In his new role he sits between Government and industry, with a chance he probably never expected of trying to encourage on both sides the principles he outlines.

His weak spot at least as far as employees in companies within the NEB and in particular BL could, however, be the reputation which Courtaulds has — geoerally without justification —of being rutbless in closing down plaots and cutting jobs.

Most electronic companies have assured future

BY JOHN LLOYD

IF BL, Rolls-Royce and Alfred Herbert occupy the NEB's hospital wards, the electronics companies constitute its research laboratory.

Towards the end of the life of the Labour Government it became clear that the research work bad taken on a defined pattern. The NEB had worked out, and in part set in train, an electronics strategy worthy of the name, in an attempt to stand up to sustained competition from U.S., Japanese and large European electronics companies.

Parts of this strategy have already gone by the board. What happens to the rest under the NEB's new management is very much an open question.

The strategy was far from perfect. In some ways it reflected the root compromise dogging the NEB's more venturesome operations—the search for success in an atmosphere of suspicion and thin toleration generated by most industrialists and bankers in the private sector, called for caution.

An ambitious plan to restructure the telecommunications industry foundered, removing what was seen by many at the board as an essential underpinning for aggressive, export-oriented advance in its own and related sectors.

Yet Its electronic portfolio includes a number of the more promising UK companies. At the large end, the board has substantial holdings in International Computers (25 per cent) and Ferranti (50 per cent). It has created two potentially large companies — Inmos, the semiconductor company — which has received £25m and waits on a further £25m — and Nexos, the office equipment group — which has been pledged £40m.

The first two of these, of course, pre-date the NEB, but both required its ministrations and appear to have benefitted from them.

Ferranti concern

In ICL's case, the £40m capital injected four years ago by the Board has belped ICI retain Its lead as Europe's most successful computer manufacturer, while Ferranti, through a combination of access to funds and good new management, now appears strong again.

Neither company voices any concern over returning to tbe private sector. ICI believes returns will marginally assist it when bidding for large overseas contracts If the possible stigma of "lame duck" is removed.

Both — especially Ferranti—are anxious that the boldings sbould not be sold to one buyer, thus making them vulnerable to strong influence wbich might be much more interventionist than the NEB has been. Ferranti's managing director, Mr. Derek Alun-Jones, has pressed the point strongly with the Government, and hopes It is taken.

Inmos and Nexos are in quite a different position. Neither will be profitable for some time —years In the case of Inmos—and both require an understanding parent. On a pessimistic view, throwing them on to the market would be akin to the ancient Roman practice of exposing twins on a hillside: the effect would be death.

On an optimistic vlew, however, they might, like Romulus and Remus, find a foster motber. There are many wolves around Professor Ian Barroo, Inmos UK's managing director, has recently reminded observers that It is at present a largely U.S. company (a rapidly growlng one, at that) which might now be attractive to either U.S. or Japanese companies, as more and more of the large electronic companies seek to Integrate a semiconductor operation into their business.

Nexos has already won a good reputation in parts of the City, where Its acqulsition last month of the Dowty subsidiary Ultronic Data Systems, which licenses Ricoh word processors, is regarded as a good move. It, too, might make a good, long-term buy.

The medium-to-small end is dominated by software companies, like the Insac subsidlary, and the part-owned companies like Systime, Computer Analysts aod Programmers and Systems Designers.

The UK software industry, though strong and highly competitive internationally, is experiencing some growth problems, and will need a good deal of funding in the years ahead. Still, UK software houses are likely to attract private purchasers—who will quite possibly he Japanese.

Finally, the Board's subsidiary Data Recording Instruments, one of Europe's largest makers of computer peripheral equipment, has linked wlth the Control Data Corporation of the U.S. in an £8m deal which will see the establishment of a computer peripherals manufacturing plant in the UK. This, too, appears to have at least a fighting chance of getting private funding.

It thus seems most of the NEB's electronic companies bave an assured future, either as discrete units or as parts of larger companies.

The strategy which saw them as forming the divisions of an electronics holding company whicb spanned office equipment, defence equipment, computers, telecommunications, semi-conductors and software—a home-grown, state-backed Philips—has gone, partly because of the NEB's failure to weld together the bigger companies, particularly in telecommunications, and partly because of the general change of policy under the new Government.

The demise of a grand overall strategy has already prompted the departure of tbe electronics division's young director, Mr. David Dunbar, who bas taken a post in Morgan Crucible. He has been replaced by Mr. Charles Morris, who took It on in addition to his deputy chairman's duties—an indicator of its fall from grace.

There is no doubt, too, that its loss contributed largely to the disillusionment and disappointment in the Board, feelings which Rolls-Royce hrought to a head.

Terry Kirk

Sir John King, chairman of Babcock and Wilcox.

Sir John will spread no joy among staff

BY JOHN LLOYD

SIR JOHN KING, newly-appointed deputy chairman of the National Enterprise Board —he will combine the post with his duties as full-time chairman of Babcock International—has strong views on the NEB and has made them public.

They are unlikely to spread joy among NEB staff.

Sir John wrote a lengthy letter to the Daily Telegraph a few days after the Conservative Government took office. High-lighted by the Telegraph in an editorial on the same page, it is said to have been seen before publication by the new Industry Secretary, Sir Keith Joseph.

The letter was in response to a statement a day or two before by Sir Leslie Murphy, the NEB chairman, who had argued that the board should be preserved with its range of interests intact.

Sir John acknowledged that it had the support of those businessmen who either had needed, or thought they might need, its help, and said there should be "no particular urgency" over dealing with the Board. The Government had many more important matters to attend to, he contended, and should in its early stages content itself to "controlling stringently the flow of funds to it."

Sir John made clear his belief that the board had a very limited use indeed. He reached this conclusion by taking what he said were the leading arguments for its continued existence, and refuting them.

As to the argument that the NEB acted as a buffer between its industries and Government, this was not an advantage but a drawback. The State already controlled some 14 nationalised industries. Why was it assumed that, if it had to, it could not overlook BL, Rolls-Royce and the others as well?

He saw the use made on the board by its industries to gain extra influence with the Government as harmful.

Second, against the argument that the NEB had acquired a strategically significant set of companies, he said it had in fact gathered "an absurd hotch-potch" which made sense only if the Board were a free-wheeling private venture capitalist. The State, he argued, should not extend its "venture capitalist" activities beyond those already provided for by the industrial development executive and its regional counterparts.

The main fallacy was for the NEB's chairman to say that it should become a profitable company modelled on a successful commercial enterprise. The only role for it was as a public service organisation.

Finally, Sir John was prepared to admit only the argument that the Board should be used as a "casualty station." That was a realistic function. The NEB should see itself as a lender of state funds of last resort — "charged with the duties of good husbandry — nothing more."

So much, it thus appears, for any residual hopes which the NEB officials might entertain of keeping their interventionist role.

It can be surmised that Sir John would not have taken on an onerous job unless the terms were very much his own. "He'll bring a breath of fresh air into the place," said a senior colleague last night, "but he certainly won't go in for any kind of expansion."

Sir John, at 60, heads the country's largest boilermaking group, with sales last year approaching £800m and a profit of £40m.

He has had a prodigiously successful career in 1938, at the age of 19, he founded White-house Industries, making aircraft and car components. The venture was to prove profitable.

In 1950 he took over the Pollard Ball Bearing company, built it up until, after a bitter battle, it was taken over in 1969 for £10m and became part of the Ransome Hoffman Pollard group. He then became chairman of Dennis, the fire engine group which was going through hard times but built it back up again and sold it. Moving on to the David Brown Corporation, he sold its tractor and Aston Martin cars division to restore it, then went to Babcock, first as deputy chairman, then, in 1972, as group chairman.

While Babcock has had its problems—notably on the heavy power plant side, where few companies have remained profitable through the 70s—it has seen steady sales growth from £127m in 1972 to £778m last year. Pre-tax profits have gone up at a slightly faster rate, from £5.3m to £45m.

The power plant division is to announce today a large investment programme in its Renfrew plant.

NEB INVESTMENTS OVER £1m

SUBSIDIARY COMPANIES

Company	Main Activity	% held by NEB	Total Investment £m
BL	Automotive Products	99.1	930.23
Brit. Underwater Engineering	Underwater Engineering	89.2	5.35
Bull Motors	Electric Motors	100.0	1.52
Cambridge Instrument	Scientific Instruments	25.1	9.02
Data Recording Instrument	Computer Peripherals	83.8	4.98
		100.0	
Fairey	Engineering	100.0	18.00
Herbert	Machine Tools	100.0	44.47
INMOS	Microelectronics	67.3	6.59
INSAC	Computer software	100.0	5.35
NEXOS	Office Equipment	79.8	2.36
Rolls-Royce	Aero-Engines	100.0	285.00
Sinclair Radionics	Microelectronics	73.3	7.79
Systems Programming Holdings	Compnter Services	30.0	1.55
United Medical Enterprises	Medical Equipment	70.0	6.22
Wholesale Vehicle Finance	Motor finance	77.5	9.69

ASSOCIATED COMPANIES

Company	Main Activity	% held by NEB	Total Investment £m
British Tanners	Tanning (in receivership)	50.0	4.50
Brown Boveri Kent	Instruments	20.0	3.29
Computer & Systems Engineer.	Communications Equipment	27.8	1.53
Ferranti	Electronics	50.0	6.93
ICL	Compnters	25.0	12.96
Logica companies	Compnter Systems	n.a.	5.80
Monotype	Typesetting	37.5	2.88
Negretti & Zambra	Process Control	29.9	1.17
Systime	Compnter Systems	28.1	1.91
Twinlock	Office Eqnipment	33.3	1.50
Yates Duxbury	Paper Manufacture	50.0	1.75

Joseph picks men from public and private sectors

Mr. Alec Dibbs

Mr. George Jefferson

Mr. John Caines

SIR KEITH JOSEPH, Secretary for Industry, has appointed five members to the National Enterprise Board, in addition to the chairman and deputy chairman.

They are: Mr. Robert Clayton, 64, technical director of the General Electric Company. He has been a member of a number of Government and industry committees on electronics, particularly research.

The other members are: Mr. Alec Dibbs, 61, deputy chairman of National Westminster Bank, and Mr. George Jefferson, chairman and chief executive of British Aerospace, dynamics division.

Mr. Dennis Stevenson, chairman of Peterlee and Newton Aycliffe New Towns is listed as the fourth member and Mr. John Caines, secretary to the National Enterprise Board the fifth.

Silhouette plant reorganisation

SILHOUETTE, the women's clothing and swimwear manufacturer, recently sold for £3m to W. L. Pawson of Halifax, will close its Telford factory December 7. Many of the 140 staff will go to its Shrewsbury and Market Drayton factories. A factory at Chirk, Clwyd, has been sold to Undercover Products of Wrexham who will keep 29 of the 34 workers.

Silhouette's main factory at Shrewsbury, employing 470, will have some changes including streamlining of the product range. Seven of the company's directors including Mr. Frank Belok, managing director, have left and the company is run from Pawson's head office.

Appeal to save the Broads

A NATIONAL appeal was launcvbed yesterday to save part of the Norfolk Broads "threatened" by plans to build a tidal surge harrier. Friends of the Earth, making the appeal, said 45,000 acres of grazing marshland would he threatened by Anglian Water Authority's proposal to huild the multi-million pound barrier across tbe River Yare's mouth.

Many of Britain's rarest wildlife species, including swallow-tail butterfly, Norfolk aeschoa dragonfly and water-violet, are likely to become extinct if the barrier is constructed, the organisation said.

Shoplifting claim denied

THE CLAIM that self-service shopping is a cause of shoplifting has been challenged by Mr. Harry Shepherd, president of the Oxford Street Association.

An independent study group partly backed by the Conservative Party, made the claim in a recent report on shoplifting. But Mr. Shepherd said that the evidence collected by the study group was inadequate. Shops cause shoplifting, suggested Mr. Shepherd, In the same way that Parliament causes tax evasion by passing income tax laws.

CBI urges continuation despite mass resignation

BY MAURICE SAMUELSON

THE National Enterprise Board should stay in existence despite the mass resignation of its members, Sir John Greenborough, president of the Confederation of British Industry, said yesterday.

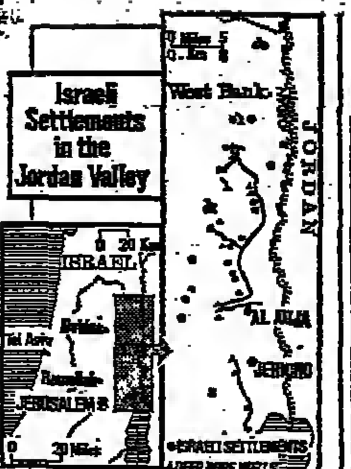
The CBI had not been a party to the NEB's creation under a Labour Government, but it wanted continuity of policy and was not "abolitionist," he said after a meeting of the CBI council.

There wonld still he a need for the Government "to intervene at arm's length through something like the NEB rather than letting Ministers or civil servants intervene directly," he said.

The repercussions of the upheaval of the NEB should also not be allowed to jeopardise the "constructive relations" which the CBI was trying to build with the trade unions through the National Economic Development Council.

Worries over West Bank water

BY TIM COONE, RECENTLY IN THE WEST BANK



EL AUJA is an Arab village on the Israeli-occupied West Bank of the Jordan. Its banana plantations, normally lush and abundant, this year have large areas standing withered in the sun. The neighbouring fields which should now be filled with vegetable crops, ripening for the market in Jericho, eight km away, are empty.

The village's 1,500 inhabitants rely exclusively on income from irrigated agriculture—fed from a spring which until this year had dried up only twice in the villagers' memories, once in a bad drought in 1936 and again in 1962.

But this year the spring slowed to a trickle in March and ran dry by May, when in other years it reaches its peak flow after the winter rains have recharged the aquifers. There has again been a drought this year, but the background to the failure of El Auja's spring lies in competition for water resources with the Israeli settlements in the Jordan Rift valley.

The 23 Israeli settlements in the Jordan Rift have been designed as economic units based primarily on irrigated agriculture. Because of the paucity of rainfall in the Jordan valley a regional water network has been developed, consisting of 20 high capacity wells, storage facilities and over 100 km of large-diameter pipeline to supply all the settlements.

Around 14,000 Palestinians also obtain their livelihood from irrigated agriculture in the Jordan Rift, but 80 per cent of their water comes from springs rather than tube wells. Israel's plan to colonise the Jordan Valley, originally conceived under the previous Labour Government, has inevitably led to a conflict of interests between the settlers and the West Bank Arabs, because of the interrelationship between the new Israeli wells and the Arab springs.

A Jewish agency plan drawn for the development of the Jewish settlements in the Rift, for 1975-85, states: "Most of the bores for the needs of the Jewish settlements in the Rift have been made and will be made on the mountain slopes, and will in general be at a depth of 300-500 metres. These bores are liable to harm to some extent the flow of the springs, chiefly in the Jericho and Bardala areas, as a consequence of the lowering of the water table."

At El-Auja the military government drilled two wells five years ago immediately adjacent to the spring down to some 500 metres, as part of the regional water plan for the settlements. According to hydrological data from the Israeli Ministry of Agriculture, by 1976-77 the average spring flow had dropped to less than half its normal flow over the previous 12 years, and this in a year when rainfall had been normal in the regional watershed.

The spring at El Auja is fed from a geological stratum which underlines the whole of the West Bank, and so is not affected by local variations in rainfall which can affect other springs. Therefore, the community at El Auja has been able to develop a thriving agricultural economy based on a normally reliable water source. However, the water table has been lowered to such an extent by the extraction from the Israeli wells that this year's drought has dealt a severe blow to the community.

An agricultural expert who works in the region told the Financial Times: "Of 1,500 dunums (150 hectares) in El Auja, today only 130 dunums are still alive." Of 392 dunums of citrus, 250 are still alive, but much of this looks perilously close to death and may not survive until the winter rains give them a chance for revival. A further 2,000 dunums of vegetable plots lie empty. The estimated loss in revenue of the bananas and citrus alone has been valued at $2.75m.

The Njoum family at El Auja have 225 dunums of vegetable plots and plantations. They have lost all their agricultural production for this year. They are having to buy tanks of water for about £10, which gives them sufficient drinking and washing water for one week. One of the sons has had to stop his studies at school, because the family has no money. Ironically, he is now working on a nearby Israeli settlement as an agricultural labourer, to earn enough money to buy food and water to keep his family alive. Other members of the family have already left, to live with relatives in Amman, or other parts of the West Bank. When asked whether he thought that the spring would start flowing again in the winter, he said, "Perhaps. We will have water for drinking, but not for agriculture."

The regional water plan for the Rift calls for a total of 36 wells. On completion, they will be extracting half the extractable ground water in the Rift for the Jewish settlements. The implications of this, and the full extent of the plight of the Palestinian farmers, can be appreciated from the words of Meir Ben Meir, Israel's Water Commissioner. He told the Financial Times: "No increase in water will be made available to the Arab sector for production purposes. If an increased demand can be proved to exist for domestic purposes, only this will be met. To do otherwise would mean that Israel would have to decrease its own green areas. The question of water supply in this region at the end of this century, and the beginning of the next, is a major question of the mutual survival of the nations involved."

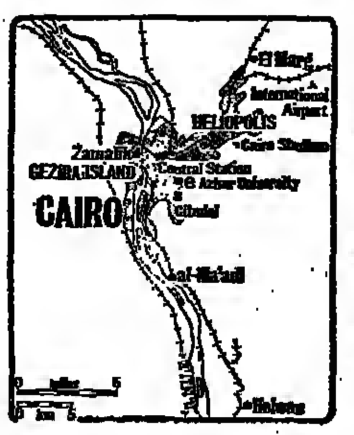
He explained that by drying the springs, and increasing the volume in the aquifer to receive the winter rainfall, the availability of water was actually increased, because none would then be running to the Dead Sea. But this is of little comfort to the El Auja farmers, who now have no water at all. As for mutual survival, while the El Auja farmers have to abandon their livelihoods and buy drinking water from Jericho, the Jewish settlers of Gilgal, a new settlement a few kilometres north of Al Auja, relax by their new swimming pool. It is filled with water from the same aquifer that feeds El Auja's spring.

Cairo revives plans for $880m underground

BY ALAN MACKIE IN CAIRO

PLANS FOR a Cairo Metro to relieve the Egyptian capital's chronic traffic congestion have been revived, following talks last month with France on finance for the $880m project.

The scheme has been successively shelved and resurrected for the past decade—ever since the French consultancy group Sofretu (Societe Francaise de Realisation et d'Etudes de Transports Urbains) presented a blueprint for a network of four underground lines. This had, as its first phase, the rehabilitation and development of two existing suburban lines, from the southern industrial town of Helwan and a line to the northern suburb of El Marg. The two central terminals, at Bab el Louq market and Ramses square, were to be linked by a four kilometre tunnel. This is the project under negotiation.



Former economic overlord Dr. Abdel-Moneim al-Kaissouny shelved the project in early 1978, as a white elephant Egypt could ill afford. Dr. Abdel-Razzak Abdel-Maguid, the Minister of Planning, lent his voice to the opposition, claiming the underground would be a potential death trap because of the danger of water seepage getting into the electrical circuits.

But transport officials have stuck adamantly by the project as the "only solution" in the words of Mr. Ali Daghistani, the Transport Minister, to Cairo's transport problems.

Around 85 per cent of the population travels by public transport. They make 4.5m trips a day, and in the next 10 years this figure is expected to double. A rapid transport system can handle 60,000 passengers an hour—the equivalent of 10 buses.

For the time being the authorities are working piecemeal, aiming to upgrade the existing track so that, if and when the finance can be put together, the 42-km Helwan-El Marg line will be fully operational on the tunnel's completion.

Some E£111m (£155.8m) have already been allocated for the Helwan line. This includes E£55m (£77.2m) for 52 train units being financed and supplied by France. A further E£150m (£210.5m) will be needed for this section.

Electrification and rehabilitation of the El Marg line will cost just under E£200m (£280.7m), but this includes finance for a further 100 train units.

The construction of the tunnel section and supply of ancillary equipment will cost E£160m, or roughly FFr 1bn. The foreign currency element for equipment will be FFr 650m. The remaining FFr 350m, making up the local currency element, will pay for the civil works.

France has, for the past few years kept a FFr 140m special loan aside in its annual aid protocol for the Metro. However, it agreed in the latest talks to raise this figure to FFr 200m, leaving the way open under its normal financing arrangements to securing double that amount in commercial credits from Oface, the French export credit agency. This would be nearly sufficient to finance the hard currency element of the project.

However, the Egyptian authorities, fresh from their signal coup in persuading a Siemens-led consortium to provide Egypt with a $1.8bn line of credit on easy terms for telephone rehabilitation and expansion projects, are looking to France to finance the soft-loan element as well—as, in fact, the Siemens consortium is doing. They are also asking for financing to be divided equally between soft loans and commercial credits, and for France to make commitments to financing the construction of the other three lines contained in the Sofretu study.

These requests have put the French authorities in a quandary. Such a commitment would be greater than its current total aid to Egypt, and would raise problems if the project did not proceed according to plan. Ideally the French authorities would prefer to finance the scheme annually.

Negotiations continue, although there is not much chance of further developments before the end of the year. But the two sides have narrowed their differences and next year could see a start to the project, in which case Cairenes could be having a taste of underground travel by 1985.

BOND DRAWINGS

SOCIETE DES AUTOMOBILES SIMCA (ACT. CHRYSLER FRANCE) 7% 1967 — 1982 LOAN OF US $15,000,000

We Inform the bondholders that the redemption Instalment of US$1,250,000 nominal due 15th December 1979 has been satisfied by purchase of US$352,000 nominal bonds and by the drawing for redemption of the undermentioned bonds amounting to US$898,000 on 31st October 1979, in Luxembourg, in the presence of an "Huissier";

The bonds will be reimbursed at par on 15th December 1979, coupon due 15th December 1980 and followings attached, according to the modalities of payment on the reverse of the bonds.

The numbers of such drawn bonds are as follows:

11492 to 11500	11526	11539	11564 to 11568	[illegible]	[illegible]
11613 to 11621	11632	11634 to 11636	11647 to 11649	[illegible]	11699
11745 to 11757	11814 to 11815	11842	11644 to 11646	11651 to 11662	11657 to 11672
11874	11855 to 11857	11904 to 11907	11911 to 11927	[illegible]	[illegible] to 12008
12029 to 12030	12046 to 12048	12057 to 12061	12084 to 12085	12094 to 12098	12102 to 12103
12105 to 12109	12112 to 12118	12128 to 12130	12217 to 12219	12224 to 12230	12234
1236 to 12238	12240 to 12244	12246 to 12259	12317 to 12321	12327 to 12341	12385
12356	12417	12421 to 12422	12427	12430 to 12435	12444 to 12455
12455 to 12516	12527	12529 to 12532	12534 to 12538	12547 to 12548	[illegible]
12567 to 12570	12572 to 12580	12583 to 12584	12592	12620 to 12625	12636 to 12641
12696 to 12697	12717 to 12718	12721 to 12722	12731 to 12737	12739 to 12742	12757 to 12760
12817	12818 to 12822	12832	12825	12843 to 12846	12867 to 12870
12872 to 12884	12917	12919 to 12921	12932 to 12933	12950	12955 to 12959
12963 to 12970	12972 to 12975	12975	12977 to 12998	13000 to 13001	13012 to 13014
13022 to 13026	13066 to 13076	13083 to 13085	13088 to 13092	13102 to 13115	13120 to 13123
13153 to 13156	13182 to 13183	13191 to 13194	13206 to 13212	13215 to 13216	13235 to 13241
13252 to 13257	13261 to 13264	13275 to 13276	13278 to 13293	13302 to 13305	13307 to 13326
13329 to 13335	13337 to 13338	13357 to 13360	13373 to 13376	13393 to 13403	13429 to 13433
13437 to 13456	13475 to 13476	13479	13481	13483	13485 to 13487
13503 to 13506	13535 to 13550	13570 to 13572	13575	13585 to 13591	13625 to 13627
13635	13636 to 13661	13662 to 13692	13698 to 13710	13715 to 13742	13751 to 13754
13756 to 13764	13770 to 13805				

The following bonds previously called for redemption have not yet been presented for payment due 15th December 1977:

7294 to 7295	7582	7838 to 7840	7918 to 7919	8007	8090 to 8091
8093 to 8105	8100 to 8127	8132 to 8133	8137 to 8145	8191	8242 to 8243

due 15th December 1978:

09068 to 09072	09437 to 09438	09471	09474	09552 to 09553	09689
09955	10004	10118 to 10127	10163	10143 to 10146	10170 to 10175
10181	10507 to 10508	10620 to 10621	10928 to 10929	10952 to 10956	10987 to 10988
11011 to 11014	11057 to 11061	11070 to 11071	11078	11101	11130 to 11134
11178	11192 to 11195	11224 to 11226	11229	11275	11528 to 11530

Amount outstanding after 15th December 1979: US$3,750,000 nominal.

The Principal Paying Agent
SOCIETE GENERALE ALSACIENNE DE BANQUE
15, Av. E. Reuter
LUXEMBOURG

CHILEAN GOVERNMENT 5% ANNUITIES SERIES "A"

NOTICE IS HEREBY GIVEN that in carrying out the operation of the Sinking Fund of 1st January 1980 in respect of the above Loan, Bonds for £1,000 Nominal have been purchased and the undermentioned Bonds amounting to £5,260 were this day drawn by lot by RICHARD GRAHAM ROSSER (of Messrs. De Pinna, Scorers & John Venn), Notary Public, for repayment at par on the 1st day of January 1980, from which date all interest thereon will cease:—

TWO BONDS FOR £500 EACH
232 514

TWENTY-FIVE BONDS FOR £100 EACH
[illegible]

EIGHTY-EIGHT BONDS FOR £20 EACH
[illegible]

RECAPITULATION

2 Bonds for £500 each	£1,000
25 Bonds for £100 each	£2,500
88 Bonds for £20 each	£1,760
	£5,260

The above-mentioned Bonds with coupons due 1st July, 1980 and subsequently attached may be lodged for repayment on or after 2nd January 1980 at the office of J. Henry Schroder Wagg & Co. Limited, Coupon Department, 120 Cheapside, London, E.C.2. between the hours of ten and two o'clock, and at the offices of Banque de Paris et des Pays-Bas, Amsterdam, Brussels and Geneva; Swiss Credit Bank, Lausanne; Société Française de Banque et des Dépôts, Antwerp and Brussels; Société Générale de Banque, Antwerp and Banque Nationale de Paris, Brussels.
LONDON, the 26th October, 1979.

CHILEAN GOVERNMENT 5% ANNUITIES SERIES "B"

NOTICE IS HEREBY GIVEN that in carrying out the operation of the Sinking Fund of 1st January 1980 in respect of the above Loan, Bonds for £740 Nominal have been purchased and the undermentioned Bonds amounting to £5,880 were this day drawn by lot by RICHARD GRAHAM ROSSER (of Messrs. De Pinna, Scorers & John Venn), Notary Public, for repayment at par on the 1st day of January 1980, from which date all interest thereon will cease:—

FOUR BONDS FOR £500 EACH
[illegible]

TWENTY-SIX BONDS FOR £100 EACH
[illegible]

SIXTY-FOUR BONDS FOR £20 EACH
[illegible]

RECAPITULATION

4 Bonds for £500 each	£2,000
26 Bonds for £100 each	£2,600
64 Bonds for £20 each	£1,280
	£5,880

The above-mentioned Bonds with coupons due 1st July, 1980 and subsequently attached may be lodged for repayment on or after 2nd January 1980 at the office of J. Henry Schroder Wagg & Co. Limited, Coupon Department, 120 Cheapside, London, E.C.2. between the hours of ten and two o'clock, and at the offices of Banque de Paris et des Pays-Bas, Amsterdam, Brussels and Geneva; Swiss Credit Bank, Lausanne; Société Française de Banque et des Dépôts, Antwerp and Brussels; Société Générale de Banque, Antwerp and Banque Nationale de Paris, Brussels.
LONDON, the 26th October, 1979.

CHILEAN GOVERNMENT 5% ANNUITIES SERIES "C"

NOTICE IS HEREBY GIVEN that in carrying out the operation of the Sinking Fund of 1st January 1980 in respect of the above Loan, Bonds for £2,340 Nominal have been purchased and the undermentioned Bonds amounting to £7,680 were this day drawn by lot by RICHARD GRAHAM ROSSER (of Messrs. De Pinna, Scorers & John Venn), Notary Public, for repayment at par on the 1st day of January 1980, from which date all interest thereon will cease:—

ONE BOND FOR £1,000
[illegible]

FOUR BONDS FOR £500 EACH
[illegible]

THIRTY-EIGHT BONDS FOR £100 EACH
[illegible]

FORTY-FOUR BONDS FOR £20 EACH
[illegible]

RECAPITULATION

1 Bond for £1,000	£1,000
4 Bonds for £500 each	£2,000
38 Bonds for £100 each	£3,800
44 Bonds for £20 each	£880
	£7,680

The above-mentioned Bonds with coupons due 1st July, 1980 and subsequently attached may be lodged for repayment on or after 2nd January 1980 at the office of J. Henry Schroder Wagg & Co. Limited, Coupon Department, 120 Cheapside, London, E.C.2. between the hours of ten and two o'clock, and at the offices of Banque de Paris et des Pays-Bas, Amsterdam, Brussels and Geneva; Swiss Credit Bank, Lausanne; Société Française de Banque et des Dépôts, Antwerp and Brussels; Société Générale de Banque, Antwerp and Banque Nationale de Paris, Brussels.
LONDON, the 26th October, 1979.

COMPANY NOTICES

CREDIT COMMERCIAL DE FRANCE (C.C.F)
U.S. DOLLARS 25,000,000
FLOATING RATE NOTES DUE 1981

Noteholders are informed that CCF will prepay on December 24, 1979 in accordance with the terms and conditions of the Notes, the total amount outstanding of the above mentioned loan (i.e. U.S. Dollars 22,650,000.-) at 100%.
A principal amount of U.S. Dollars 2,350,000.- has been purchased by C.C.F.

THE PRINCIPAL PAYING AGENT
KREDIETBANK
S.A. LUXEMBOURGEOISE

Luxembourg.
November 22, 1979.

Notice of Meeting of United States Trust Investment Fund
UNITED STATES TRUST INVESTMENT FUND
SOCIETE ANONYME
Registered Office:
Luxembourg, 14 Rue Aldringen
Registre de Commerce:
Luxembourg B No. 7,443

Shareholders are hereby convened to an EXTRAORDINARY MEETING OF SHAREHOLDERS to be held on 29th November, 1979, at 11.00 hours at the Registered Office of the Fund, 14, Rue Aldringen, Luxembourg, with the following agenda:

(1) To change the name of the Corporation specifically by deleting therefrom and replacing by another denomination the terms "United States Trust."
(2) Accordingly, to amend Article One of the Articles of Incorporation.
(3) To delete and replace the terms "United States Trust" and any reference to other companies the name of which includes the words "United States Trust" in any other provisions of the Articles of Incorporation, including but not limited to Articles 17, 21 and 28.
(4) (i) To hear the report of the Board of Directors regarding the investment policy of the Fund and
(ii) to the extent required, to amend or complete Article 16 of the Articles of Incorporation to reflect any change in investment policy.
(5) To hear the report of the Board of Directors regarding changes in the name of United States Trust Investment Fund Holding Company (the "Holding Company") and the name and structure of United States Trust International Advisory Company ("the Advisor").
(6) To accept the resignation of Directors and to appoint new Directors.
(7) To confirm the authority of the Board of Directors to issue additional shares within the Authorised Capital for a further five year period.

Shareholders are notified that Resolutions on Items 1, 2, 3, 4 (ii) and 7 of the Agenda may only be taken if at least 50% of the shares outstanding are represented at the Meeting. Should such quorum condition not be fulfilled or should the Board so decide for other reasons, a second Meeting which will not be subject to such quorum requirement will be called by additional notices. In such event the vote on all items of the Agenda will be adjourned to such second Meeting which, if required, is expected to be held on 31st December, 1979.

In accordance with Luxembourg law, in both Meetings, resolutions on Items 1, 2, 3, 4 (ii) and 7 will be subject to a majority of two-thirds of the shares represented at the Meeting, provided, however, that at the second Meeting shares represented will (in a number not exceeding one-third of the total number of outstanding shares) be deemed to vote for the Resolutions proposed above, and provided further that in such latter case the Resolutions must be voted by the majority of the shares represented at the Meeting. Resolutions on item 8 of the Agenda will be adopted if voted by the majority of the shares present or represented.

In order to attend the Meeting, holders of Bearer Shares should deposit their shares on or before 23rd November 1979 with the banks listed hereafter, such deposits to be maintained and to be effective in the event that the Shareholders Meeting of 29th November 1979 fails for lack of quorum, also for any postponed Meeting. With respect to registered shares, proxies should be deposited at the Registered Office of the Fund on or before 23rd November 1979.

Amsterdam-Rotterdam Bank N.V., Amsterdam.
Bank Julius Baer and Co. A.G., Zurich.
Banca D'America E D'Italia, Milan.
Banque Generale du Luxembourg, Luxembourg.
Banca Commerciale Italiana, Milan.
Banca del Gottardo, Lugano.
Banca Nazionale del Agricoltura, Rome.
Bank Leu and Co., Zurich.
Banque de l'Indochine et de Suez, Paris.
Banque Scandinave en Suisse, Geneve.
Banque de Paris et des Pays-Bas, Paris 2e.
John. Berenberg, Gossler and Co., Hamburg.
Berliner Handels - Gesellschaft - Frankfurt Bank, Frankfurt.
Berliner Bank A.G., Berlin.
Effectenbank-Warburg Aktiengesellschaft, Frankfurt.
Guyerzeller Zurmont Bank A.G., Zurich.
Badenwuertembergische Bank, Heilbronn.
Nederlandsche Creditbank, Amsterdam C.
Pierson, Heldring and Pierson, Amsterdam.
Privatbanken I Kobenhavn A.S., Copenhagen.
Scandinaviska Enskilda Banken, Stockholm.
Banca della Svizzera Italiana, 6901 Lugano.
Banque Transatlantique, Paris 8e.
Caisse Nationale de Credit Agricole, Paris 15e.
Credit Industriel et Commercial, Paris 9e.
Merrill Lynch, Pierce, Fenner and Smith Securities Underwriter Limited, 1200 Geneve.
Credit Industriel d'Alsace et de Lorraine, Luxembourg.
Dewaay Luxembourg S.A., Luxembourg.
R. Henriques Jr., Copenhagen.
Samuel Montagu and Co. Limited, London EC2P 2HY.
Bayerische Vereinsbank, Munich.
Vereins-und Westbank A.G., Hamburg.

THE BOARD OF DIRECTORS.

Copies of the Circular to Shareholders containing the Notice of Extraordinary Meeting and proxy card are available up to the date of the Extraordinary Meeting from:

Cazenove & Co.
12 Tokenhouse Yard,
London, EC2R 7AN.

PERSONAL

IN BEREAVEMENT—Send your tributes in a form that never fades with a donation to help old people in need. HELP THE AGED, Room 15, 32, Dover Street, London W1E 7JZ.

LEGAL NOTICES

IN THE MATTER OF
MARTIQUE LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 27th day of December, 1979, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Leonard Cyril Curtis, FCA, of 3/4 Bentinck Street, London W1A 3BA, the Liquidator of the said Company, and, if so required by notice in writing from the said *Liquidator*, are, *personally* or *by* their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be *excluded from* the benefit of any distribution made before such debts are *proved*.

Dated this 14th day of November 1979.
L. C. CURTIS, Liquidator.

THE COMPANIES ACTS 1948 TO 1976
G. CRONIN (UPHOLSTERY) LIMITED
NOTICE IS HEREBY GIVEN, *pursuant* to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of Leonard Curtis & Co., situated at 3/4 Bentinck Street, London W1A 3BA, on Friday, the 30th day of November 1979, at 12 o'clock midday, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 15th day of November 1979.
By Order of the Board,
G. CRONIN, Director.

THE COMPANIES ACTS 1948 TO 1976
MAJOR HEATING LIMITED
NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be *held at the offices of* Leonard Curtis & Co., situated at 3/4 Bentinck Street, London W1A 3BA, on Monday, the 3rd day of December 1979, at 12 o'clock midday, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 15th day of November, 1979.
By Order of the Board,
E. WOOLLETT, Director.

CONTRACTS AND TENDERS

INTERNATIONAL TENDER

To Supply Steam Coal for CHILECTRA in 1980

Compañía Chilena de Electricidad S.A., "CHILECTRA," calls for international tenders for the supply of 400,000 metric tons of steam coal for its 330 MW steam electric generating station at Ventanas-Quinteros, Chile. The coal is to be delivered January through December 1980.

Tender specifications are available from:
EMBASSY OF CHILE
12 Devonshire Street, London W1N 2DS, England

LECTURES

GRESHAM LECTURES
IN MEDICAL SCIENCE
Some Aspects of the Physiology of the Endocrine System, by Professor D. Sloma.
Three one-hour lectures at The City University, Northampton Square, EC1, at 6 p.m. November 27, December 11 & 12.
ADMISSION FREE

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ELECTRONICS

More components from France

IN SPITE of gloomy economic forecasts, manufacturer of specialist printed circuit boards, Comelim UK, expects to turn over some £½m this year.

Three months old, the company belongs jointly to Comelim (France), Technical Selling Services and Matra UK. It is offering high quality boards to BS9000 with delivery between 5/25 working days for batches of two to 30 boards.

By the beginning of next year, the company will be ready to offer prototyping of multi-layer flexible boards and flex-rigid designs. Comelim is developing these types of boards up to 16 layers for arduous space/missile applications.

Technical backing is available at all times from the French parent company which has 20 per cent of its national market in printed circuits.

Further from Technical Selling Services at 80a High Street, Camberley, Surrey GU15 3RS.

Another French group with more than a foothold in the UK, Souriau has set up a plant at Loudwater, High Wycombe, in which it expects to be making 50 per cent of its UK sales in three years or so.

The company's parent is a major European manufacturer of connectors for the most arduous tasks, many of them in military work and indeed, the Souriau UK plant has D.O.D. approval.

Souriau, Shirley Ave, Windsor, Berks. Windsor 69471.

From MCB, whose UK representative is Cetronic of Ware (0920 871077), comes a fader with plastic conductive track which has been physically tested to 100m operations without breakdown.

The company is involved in the development of a transducer system that will sense the movement of a car or other road vehicle and adjust the headlights as the car moves to take account of road gradients.

State of the art charge-couple device unit from Thomson-CSF is a linear array with 1728 sensing elements in a single 22.5 mm line.

It is being offered for document readers, facsimile systems and other line at a time reading image analysis systems.

In display technology, the company is preparing to make a series of rugged, high brightness colour cathode ray tubes for the civil and military aircraft of the 1980s.

The great advantage of such tubes is their ability to present a mass of data clearly and without any possibility of wrong interpretation.

Such tubes use the company's penetration screen principle which was developed because of its superior performance compared with shadow-mask technology.

In another area of display technology is a rectangular plasma-panel unit for terminals which do not need full screens.

It has a 219 x 52 mm useful panel area allowing the display of up to six lines of 40 five by seven dot matrix characters. It has a power consumption of less than 30 watts.

With inherent storage, the panel is flicker-free and provides high legibility without eye strain.

For use in the burgeoning microelectronics industry are two new ultra-compact cooling fans from Etri, which has a UK base at 3, Guildford Road, Horsham (0403 68797).

These are less than one inch in height and are made to tight specifications. Power consumption is low.

The company which has designed and built 2 in by 2 in 22,000 rpm fans to military specification is providing a design advisory service.

These are just a few of the new components described in a recent meeting called by French Trade Exhibitions on behalf of a number of member companies of the French Sycep and Sitelesc trade associations, seeking closer links with Britain.

French Trade Exhibitions on 01-439 3964.

● POWER

High grade capacitors

HIGH VOLTAGE professional-grade aluminium electrolytic capacitors from the capacitor division of Pye Electro-Devices have many new characteristics.

All-welded construction and glass-filled nylon top make them suitable for use in applications such as high quality power supplies for computers and peripheral equipment.

The new capacitors will be available in 12 standard voltage ratings from 6.3V to 450V, with capacitance ranging from 150 to 330,000 micro-farads. Quantity production is due to start in the first quarter of 1980.

Pye Electro-Devices, Capacitor Division, Oldmeadow Road, Harwick Industrial Estate, King's Lynn, Norfolk PE30 4JN. 0553 3855.

● METALWORKING

Automatic cold roll forming

THE SYSTEM of cold roll forming gear blanks, bearing races and other similar products that promises to outdate conventional multi-spindle work has been further developed by FormFlo, of Cheltenham, into an almost automatic process.

The three main processes of making the blanks, deburring and final forming ready for heat treatment, have been linked together to form an integrated push-button plant. This can produce a finished ring in 8.5 seconds compared with around 20 seconds on multi-spindles and at a floor space saving of some 30 per cent.

Cold roll forming allows a wider choice of material than is generally possible when making bearing rings on multi-spindle automatics. The best results have been obtained with spheroidised tube with a starting hardness of below 200 Brinell. Up to 40 per cent savings have been achieved compared with conventional processes, since multi-spindles often machine away 20-50 per cent.

After light machining to produce a consistent wall thickness hydraulically - powered free wheeling discs make a recess in the outer wall. Carbide tooling then moves in axially to machine the wall on both sides. The final cut of the boring tool parts the ring at the recess, so that only a negligible amount of scrap is produced.

The system copes with bearings in the 25-95 mm range and, depending on the diameter, blanking takes 5-7 secs. Blanks are then conveyed to a vibratory deburring machine before passing to the cold rolling machine. · Progressive rolling then occurs, with the diametral growth restrained by support rolls. Axial growth, and the separation of the mandrel halves is restricted by the engagement of side plates with the mandrel. These are attached to the main forming rolls.

The cold rolling process enables heat treatment to follow with virtually no distortion, of the order of 0.015mm. Before the deburred blanks are passed to the final forming machine they are electronically weighed to ensure consistency. Those outside a one gramme tolerance are rejected. Rejects account for only 1-2 per cent.

Although the different processes occupy different times, seven seconds for blanking an inner race, 4.5 secs per unit for deburring (400 every half hour) and 8.5 secs for roll forming, the amount of work in progress makes it relatively easy to maintain smooth output. Tool changes take from an hour and a-half to two hours only.

The automotive industry is an obvious potential customer for FormFlo and Ford was one of the first, buying six lines of early machines, first produced eight years ago.

The first order for the integrated plant has come from GKN, which has ordered three worth more than £500,000 for its Hardy Spicer factory. It will be used at the Birmingham subsidiary to make components for the fixed end of constant velocity joints of which GKN is a worldwide supplier. When proved satisfactory GKN is expected to buy similar plant for its overseas factories.

Now part of Metal Box Engineering, which acquired it two years ago, FormFlo is also working on extending the range of products that can be made to such items as textile spinning rings, synchro sleeves for manual gearboxes, water pump spindles and ball valve elements. In terms of greater efficiency, material and energy saving and creating more acceptable working environments, the system has a lot of plus factors.

More from FormFlo, Lansdown Industrial Estate, Cheltenham, GL51 8PW.

● EXHIBITIONS

Working for other industries

IMPORTANT POINTER to the health of European industry will be the forthcoming "Midest" subcontracting exhibition to be held this year in Brussels.

If interest shown by exhibitors is anything to go by — 20,000 sq m of stand area or 75 per cent more than in 1978 — the show should prove a great success. Close on 15,000 sq m will be taken up by French participants and nearly 2,500 by the Belgians with Britain at a disappointing 310 sq m, behind Italy, Holland, Switzerland and Germany.

Yet the lack of an expert infrastructure of specialist manufacturers has often been blamed by UK computer experts for the comparatively slow expansion of that industry in face of penetration from the U.S.

Experience has shown in the UK that companies who are able to buy the latest machinery and keep it working round the clock can achieve production costs sometimes an order of magnitude lower than those of a similar small in-house operation within a large group.

This is true for many metal-working tasks and certainly for a variety of products used in electronics.

Exceptional, of course, are those groups involved in military, space and certain other advanced projects. But, here again, once the initial proving stages are over, any big development programme demands efficient sub-contractors to succeed.

The parallel conference will have a number of important meetings over the four days between November 26 and 30. None, in the present UK context, can be more important than that taking place in the afternoon of November 27. The theme is "Problems of International business: Faced by Smaller Firms."

French Trade Exhibitions, French Chamber of Commerce House, 54, Conduit Street, London W1R 9SD. 01-439 3964.

● COMPUTING

Itel users given new assurance

USERS OF Itel's computers, plug-compatible over a wide range of IBM equipment, have been told that the first stages of the transfer to National Semiconductor Corporation's Advanced System have gone smoothly.

At a meeting in Germany, members of Choice (co-operative holders of Itel's computing equipment) were told by Floyd Kvamme, president of Advanced Systems, that National had assumed responsibility for hardware/software maintenance agreements for National's Advanced Systems products and Hitachi products previously marketed by Itel.

National Semiconductor (UK), 310 Harpur Centre, Horne Lane, Bedford (0234 47147).

Program job made easy

PACKAGING TECHNIQUES that simplify program development during the prototyping stage by permitting economical program storage in separate erasable PROMS is offered in a new version of Zilog's Z8 single-chip microcomputer.

Housed in a 40-pin package that is pin-compatible and interchangeable with the standard Z8, the Z8 Protopack carries pick-a-back a 24 pin socket for direct connection to program memory. This socket provides 12 address lines, 8 data lines, and the necessary control lines.

Zilog, Babbage House, King Street, Maidenhead. 0628 36131.

● LIGHTHNG

An instant searchlight

A PROBLEM with the conventional searchlight—a warm up time from 15 to 20 seconds—has been overcome with a device from Francis Searchlights which makes use of a xenon light source and warms up to its full luminious intensify of over 35m candle power with no delay.

With a range of over 5,400 metres (over three miles) the M5X 380 mm light combines range, power and immediate use into one unit which can be mounted in a variety of ways. Orders have already been placed by the naval authorities.

More from Union Road, Bolton, Lancs. BL2 2HJ (0204 27196).

● MATERIALS

Absorbs the impact

A POLYURETHANE elastomer called Sorbothane which has a particularly marked ability to absorb impact and vibrational energy is to be manufactured and marketed by BTR Industries from its Silvertown, London factory.

Developed by Mr. Maurice Hiles in conjunction with Bostik and BTR and with financial support from the National Research Development Corporation, the material has already been used on a pilot basis in products ranging from hi-fi pick-up arms to impact absorbing sports shoes.

Most obvious property of the material on handling is that it can be considerably deformed with a finger jab, returning relatively slowly to its original dimensions, releasing the impact energy.

It has the dimensional stability of a solid together with many of the hydraulic characteristics of a fluid; by varying the formulation the rate of both distortion and recovery can be controlled.

Among the other properties are a density of 1340 kg per cubic metre, hardness ranging from 20 to 90 on the Shore (00) scale, a minimum tensile strength of 0.12 meganewtons per sq. metre, and an operating temperature of −40 to +100 deg C.

Sorbothane has already been examined by the Shoe and Allied Trades Research Association, which found that at 60 per cent compression there was no permanent distortion after 1m cycles, and by the Motor Industry R.A. where a constrained layer damping system permitted decay rates up to 50 dB/sec.

Orthopaedic researchers are also pursuing the idea of fillets of the material, built into shoes, being used to cut down heel impact which is now believed to exacerbate complaints such as arthritis.

Properties such as tear strength and abrasion resistance can be enhanced by the incorporation of certain powders and fibres, and other additions make the material self-extinguishing after exposure to hot flame.

BTR is to supply Sorbothane in finished component form and no raw materials will be available. More on 01-476 3200.

GEOFFREY CHARLISH

Role of resins reviewed

RESINS USED in adhesives, sealants, printing inks and paints in the UK are the subject of the latest market report produced by Industrial Aids.

This study, it is stated, brings together and updates basic information on the industries involved and describes the use of the various resins as basic components of formulations. Nineteen groups of resins and five classes of synthetic elastomers have been identified as significant raw materials within the four sections covered by the report.

According to the report, the aggregate value of resin sales in the sectors reviewed was £195m in 1978. By far the most important group in money terms were the alkyd resins sales of which in 1978 to the paint and ink sectors are estimated to be about £71m, followed by polyvinyl acetate emulsions, urea and melamine resins, acrylics and epoxies.

Modest growth in demand for the various resin classes is foreseen and will result partly, it is stated, from evolving technology, but mainly from expansion of existing applications.

In most cases growth seems likely to be from 1 to 3 per cent a year, but demand for certain resins such as silicone resins in the sealants sector and polyamide resins in adhesives and printing inks, may increase significantly more quickly.

The report contains a list of suppliers who are regarded as significant sources of the resins used in the sectors studied, and it also gives the types of resins they supply. It costs £300 and is available from Industrial Aids, 14 Buckingham Palace Road, London SW1W 0QP (01-828 5036).

● LUBRICATION

An aid to smooth working

MILLIONS OF machine tools use thousands of slideways which need lubricants that permit smooth, precise movements, especially on slow moving and heavily laden tables, have the film strength and load bearing capacity to support the heavy sliding parts of large machines, give controlled movement, preserve contact geometry, and minimise vibration and wear.

A range of slideway lubricants said to meet these demands is called "Maccurat" and is being offered by BP Oil, BP House, Victoria Street, London SW1 (01-821 2000).

These oils were developed in France by BP's principal associate company as a substitute for traditional slideway lubricants containing whale sperm oil.

Lubricants are said to combine a superior anti-stick-slip performance with a reduction of up to 30 per cent in lubricant consumption and productivity is improved because there is no loss of production after a weekend break—when a machine is restarted first thing on Monday morning, sufficient lubricant remains on the slideway to prevent stick-slip.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

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F.C.A. Age 34

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Alan Sharp, Director of Client Liaison,
Fitzhoward Todd, Hillgate House, Old Bailey
London EC4M 7HS 01-246 6321

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APPOINTMENTS

Maurice Marks joins Granada

Mr. Maurice Marks has been appointed managing director of GRANADA GROUP SERVICES, responsible to the group chairman for corporate development and data processing. He joins Granada on January 2.

Mr. Marks has been planning director of the National Enterprise Board for the last three years. He is chairman and board member of two NEB subsidiaries and has served on the board of the British Airports Authority as a non-executive director for the last five years. Before joining the NEB he was with Unilever where he held a succession of senior appointments including chief accountant/commercial administrator of Lever Brothers and head of Unilever's economics and statistics department.

★

Mr. Paul Geib has been appointed sales director of NEW DIMENSION. He was formerly area manager for Habitat. Before joining Habitat Mr. Geib was an area manager for Mothercare. New Dimension is a wholly-owned subsidiary of the Debenham Group.

★

Mr. Ivan Powell has been appointed regional general manager for Japan, based at NATIONAL WESTMINSTER BANK'S Tokyo branch. He succeeds Mr. J. S. W. Coombs who is returning to the UK.

★

Dr. Hugh Murray has been appointed the first MIDLAND BANK GROUP Professor of Export Management at the City University, London. This new chair, sponsored by the Group in association with the Institute of Export, is the first of its kind in the UK. Dr. Murray comes from the Chinese University of Hong Kong where he was senior lecturer in marketing and international business. As well as holding several appointment in industry, he had earlier been a lecturer in marketing in the London Graduate School of Business Studies.

★

New managing director of ALBRIGHT AND WILSON (AUSTRALIA) is Mr. Claude Hollands. He was executive vice president of the company's Toronto-based subsidiary, ERCO Industries, manufacturer of chemicals for the pulp and paper industry. He succeeds the late Dr. Stewart Cox. Mr. Bruce R. Russell is appointed deputy managing director.

In Canada, Mr. Stan Panaioti, previously vice president, industrial chemicals division, ERCO, becomes vice president, administration, ERCO INDUSTRIES, and is succeeded by Mr. Michael Winstanley, previously deputy chairman of Albright and Wilson's phosphates sector, based in Birmingham.

★

Mr. Aubrey Silberston, Professor of Economics at Imperial College and Secretary General of the Royal Economic Society, and Mr. Christopher Johnson, economic adviser to Lloyds Bank, have been elected to the council of the INSTITUTE FOR FISCAL STUDIES.

★

Changes on the board of CERRO METALS (UK) take effect from December 1. Mr. A. M. Vere is to retire as a director and chairman; Mr. C. J. B. Green becomes chairman and Mr. M. S. Farmer becomes managing director. Mr. S. De Micoli (U.S.) is to be appointed a director.

★

Mr. M. P. M. Ollard, company secretary, has been appointed a director of SALE TILNEY AND CO., from December 1.

★

New national chairman of the INSTITUTE OF MARKETING is Mr. Norman Boakes.

★

Mr. Gordon Manzie has been appointed director of the DEPARTMENT OF INDUSTRY'S industrial development unit. The unit is responsible for looking at all the major applications for financial assistance—principally regional assistance, industrial sector schemes and rescue cases. Mr. Manzie was previously under secretary for industrial development in the Scottish Economic Planning Department. He succeeds Mr. R. H. Bonham Carter who has been director of the unit since 1977.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1978							
3rd qtr.	111.3	104.7	103	110.7	266.6	1,360	213
4th qtr.	110.3	103.1	111	111.7	278.0	1,340	230
1979							
1st qtr.	109.5	101.8	98	110.3	276.4	1,351	234
2nd qtr.	115.8	108.0	107	116.7	297.3	1,299	256
3rd qtr.	112.6	102.8		110.1	300.5	1,269	247
May	115.4	107.1	108	113.5	289.2	1,307	257
June	117.9	110.3	107	120.3	309.3	1,280	262
July	116.4	107.9	100	108.7	294.4	1,279	253
August	111.6	101.4		111.5	304.3	1,265	246
Sept.	110.0	99.0		110.0	302.3	1,264	243
Oct.				111.5		1,282	237
Nov.						1,282	234

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
3rd qtr.	108.4	99.0	122.7	100.2	99.2	103.7	23.0
4th qtr.	106.0	96.8	124.0	96.8	98.9	102.4	20.2
1979							
1st qtr.	105.4	98.1	126.2	97.8	98.5	99.0	12.9
2nd qtr.	109.1	105.1	133.1	103.9	110.2	103.5	21.3
3rd qtr.	105.8	95.2	132.0	93.8	104.3	101.2	20.7
April	107.0	104.0	130.0	103.0	110.0	102.0	18.5
May	109.0	105.0	132.0	104.0	106.0	103.0	20.0
June	111.0	106.0	137.0	105.0	115.0	106.0	25.4
July	109.0	104.0	136.0	103.0	114.0	100.0	22.6
August	105.0	94.0	130.0	92.0	93.0	99.0	18.3
Sept.	104.0	88.0	130.0	86.0	106.0	104.0	21.2

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£bn); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
3rd qtr.	124.8	114.9	−0.367	+0.299	−501	106.1	16.55
4th qtr.	124.8	112.3	−0.039	+0.614	−480	106.9	15.77
1979							
1st qtr.	109.7	117.1	−1.579	−1.140	−234	107.6	16.78
2nd qtr.	135.0	130.9	−0.714	−0.714	−227	107.5	21.69
3rd qtr.	132.4	128.3	−0.311	−0.311	−166	108.0	23.18
April	140.7	131.6	−0.159	−0.159	−123	108.6	21.47
May	134.1	131.8	−0.310	−0.310	− 54	107.5	21.53
June	130.3	129.2	−0.245	−0.245	− 50	106.5	22.07
July	133.3	126.9	−0.046	−0.046	− 44	109.2	23.49
August	131.1	130.0	−0.147	−0.147	−130	108.1	23.30
Sept.	132.8	128.0	−0.118	−0.118	+ 8	106.9	22.75
Oct.	129.7	133.0	−0.339	−0.339	− 85	106.1	22.49

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
3rd qtr.	17.2	8.1	4.2	+ 572	746	1,559	10
4th qtr.	14.9	11.9	8.6	+1,774	878	1,584	12½
1979							
1st qtr.	7.6	9.3	32.6	+1,524	777	1,583	13
2nd qtr.	9.7	17.2	28.5	+2,705	777	1,868	14
3rd qtr.	11.5	9.9	13.2	+2,424	933	1,879	14
May	13.9	8.1	20.7	+ 997	309	622	12
June	9.7	17.2	28.5	+ 885	125	680	14
July	7.1	14.3	34.1	+ 439	229	630	14
August	6.1	12.4	29.8	+1,052	293	634	14
Sept.	11.5	9.9	13.2	+ 923	411	615	14
Oct.	15.7	15.1	14.8	+1,566	544		14

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	140.2	152.2	161.6	208.9	218.8	268.83	64.0
2nd qtr.	147.3	161.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.1	167.3	176.4	231.1	231.9	301.66	71.0
April	144.3	158.4	165.5	214.2	221.6	277.11	66.9
May	146.9	161.0	167.7	215.9	224.0	279.20	66.9
June	150.9	164.6	170.9	219.6	230.0	293.55	68.2
July	155.6	165.4	174.8	229.1	231.2	278.92	71.9
August	153.3	166.5	176.3	230.9	231.8	290.04	71.4
Sept.	158.5	169.9	178.2	233.2	232.6	301.66	69.8
Oct.		175.7	179.9	235.6	234.8	291.34	66.9

THE MARKETING SCENE

CONSUMER MAGAZINES

Good times still a 'coming'

BY IAIN MURRAY

THE CONSUMER magazine business, having finally clambered back to its 1973 peak, may have got there just in time to be pushed back down the slippery slope.

The Advertising Association's forecast is that this year the advertisement revenue of consumer magazines will be £182m, which in real terms is slightly higher than the £72m achieved in the boom year of 1973. But an economic recession is on the way, with the inevitable consequences for all advertising media.

Even so, magazines are likely to suffer less than some other sectors. For one thing, forward bookings are strong and lead-times long, so the effect of the down-turn will be delayed until well into the New Year, and secondly, magazines as a whole have shown remarkable resilience over the years.

Though the medium is undoubtedly undervalued by many advertisers, and there are still people who remember the collapse of Picture Post and John Bull (Sir James Goldsmith may prefer to forget), life in the magazine world goes on. New titles are born all the time, others marry, and some die, usually suddenly; but there is no evidence that the species is endangered. And, as always, the keys to survival are adaptation and evolution.

Circulation figures since 1970 show that the four women's weeklies have come off fairly badly, with an average fall over the period of 16 per cent. (The trend has been halted and to some extent reversed during the past two years, but there is still a lot of ground to be made up.)

The most severe losses, however, have been suffered by titles such as True Romance (down 31 per cent), Mother (down 42 per cent), and Homemaker (down 48 per cent).

At the other end of the scale, there have been some remarkable increases. The sales of Good Housekeeping have gone up by more than 80 per cent since 1970, House and Garden, Harpers, Queen, Ideal Home and Vogue have all enjoyed substantial rises. There have also been one or two spectacular new arrivals. The National Magazine Company's Cosmopolitan, launched in 1972, has a circulation of 486,000 and is still rising. Last year the same group launched Company, for the "post-liberated" woman, and that title now has sales of more than 300,000.

The picture that emerges says something both about changing social patterns and the economics of advertising. The magazines that are flourishing cater either for the home-interest market or the new, emancipated woman. In these circumstances it is scarcely surprising that Pins & Needles and Brides magazine have suffered.

Michael Bird, assistant managing director of the National Magazine Company, says that in his opinion the middle classes, despite their pleas of poverty, are increasing both in numbers and prosperity, and look upon home-interest magazines as fascinating catalogues of the good things in life. And he hears few complaints from Harpers & Queen readers about the large number of ads in the "world's most intelligent glossy magazine."

Bird says that each copy of Vogue, for example, generates more than £2 for its publishers, Condé Nast, and 80 per cent of that comes from advertising. Much the same is true of the less expensive but larger circulation home-interest magazines. His own company's Good Housekeeping produces income of more than £1 per copy and is 80 per cent dependent on advertising.

By contrast, the mass circulation women's weeklies earn only about 20p per copy in a good year which, says Bird, shows that there is a distinct correlation between cover revenue and advertisement revenue. Low cover prices go together with low advertisement revenue, and the lower the cover revenue, the smaller the proportion of total revenue contributed by advertisements.

At least part of the explanation is that the mass circulation weeklies are competing with television for consumer advertising, and coming off worse. Only 5 per cent of all food advertising, for example, appears in women's magazines.

"But the kind of advertisers who use the monthly glossies do not want television," says Bird. "You do not try to sell a fur coat to millions of housewives, but to a select few women with £15,000 to spend. A lot of the ads in Harpers & Queen are unique, which is more than you can say for detergent advertising."

Once a glossy is on the upward spiral its growth is inclined to be self-generating. Advertising growth enables increases in editorial paging which in turn is good for circulation. On top of that, the improved production quality of small-circulation magazines has further strengthened the market.

But it would be quite wrong to imagine that the mass circulation titles have given up the fight. Frank Farmer, advertisement director of IPC's Women's Magazines Group, which dominates the sector, has been conducting a vigorous campaign to persuade advertisers and agencies to adopt mixed-media schedules.

He has commissioned surveys to demonstrate that women are a major force in, for example, the drinks market, and play a significant part in important decisions such as the purchase of the family car. And IPC's research programme on Advertising Campaign Effectiveness (ACE) has produced evidence that women who read magazines are more likely to be responsive to many advertisers' messages than women who are heavy viewers of ITV.

There are signs that Farmer's evangelism is winning converts. Kraft Foods, for example, has switched from TV and now puts the majority of its advertising budget into magazines. Mr. John Foley, Kraft's marketing director, says: "The print media offered the greatest opportunity for exploiting the need for constant and vivid representation of our products because in women's magazines there is the possibility to present recipes in a colourful and appetising way, in a relevant and relaxed atmosphere."

Without doubt, though, the great strength of magazines as a medium is their selectivity. Just about every interest, however obscure, has its own publication; and it is the proliferation of magazines with precisely targeted readerships that explains the continuing buoyancy of the sector.

So, although the economy may be in for a rough time, the magazine business is certain to survive, and might even prosper. In America, where everything happens first, Russell J. Melvin, vice-president of Newsweek, has predicted that magazines will become the medium for the eighties.

He says that dramatic rate increases by TV networks have prompted major companies such as Procter & Gamble and General Foods to shift dollars into magazines.

Also, as education improves, people watch less TV and read more: and that is particularly true of women in the better-off households. Melvin concludes triumphantly: "Magazines which have been sold effectively as the medium best equipped and most efficient at reaching target audiences in the seventies will have twice as much going for them in the eighties."

In the first of an occasional series, David Churchill talks to Tesco's Ian MacLaurin about the shape of grocery retailing in the 1980's

How Tesco will flourish

A WEEK may be a long time in politics, but a decade can be a very, very long time in such a fast-changing world as retailing. Ten years ago, for example, the Tesco stores group was facing probably its bleakest future since the late Sir Jack Cohen founded the company shortly after the First World War. Sir Jack had just retired from active participation in the running of the company and Tesco's aggressive trading image and performance was beginning to tarnish badly.

Yet by the end of the 1970s, Tesco has emerged as the dominant grocery retailer in the country, and is now ready to spearhead equally aggressive growth over the next decade in the non-foods sector as well as expanding overseas.

It is not surprising, therefore, that Ian MacLaurin, Tesco's 42-year-old managing director, argues that "retailing has always been about the survival of the fittest."

But, poised on the verge of a new decade, the question begs to be asked: how will the fittest survive in the 1980s?

MacLaurin, who is widely regarded within the grocery world as the powerhouse (along with the professional management team he has built up around him) behind Tesco's market success, believes that the structure of the food retailing sector will become increasingly concentrated over the next decade. "It is becoming more and more apparent that the Big Three—Tesco, Sainsbury and Asda—will continue to grow even stronger in the 1980s," he says.

This growth will come not at the expense of the smaller grocers, he suggests, but from the minor multiple groups who will continue to try to compete in the same way and areas as the "Big Three."

He predicts that the small multiplex chains will face severe trading problems. The results of this are already being demonstrated by such mergers as International Stores and MacMarkets, or Tesco's acquisition of the Kent-based Cartiers' group. "As the smaller multiples begin to be eased out, I think that there will be a big gap in the market at the small supermarket end of the trade, which I think will be increasingly filled by voluntary groups, such as Spar."

But MacLaurin acknowledges that there are a number of factors which can upset this view of the future, in much the same way as Tesco's growth over the past decade was foreseen by few at the time. The three main influences, he suggests, are the pace at which retailers are able to increase their selling space in order to increase sales volume; the effects of the continuing energy crisis; and the impact of the rapid developments in electronic technology on retailing.

MacLaurin believes that the era of the free-standing, out-of-town hypermarket being built in green field developments is probably over. "But I think we'll see a lot of the type of development such as at our new store as Weston Favell near Northampton where councils are willing for shopping centres to be built." Weston Favell is Tesco's newest—and largest—store with over 100,000 square feet of selling space as well as nine retailers operating concessions within the store.

"We are working very closely with local authorities who want us to build a large superstore around which they will put other amenities, such as a library, sports facilities, or other shops," he adds.

However, MacLaurin also believes that retailers will have to be flexible and adapt to where new store sites can be obtained. He foresees a continuing role for smaller supermarkets operated by Tesco—of 10,000 square feet and upwards—which can be the main supermarket in a local area. Tesco, for example, has recently opened a new 12,000 square feet supermarket at Street in Somerset.

But retailers' locational strategy will also be influenced by the energy situation, one of the major factors likely to shape the pattern of retailing in the 1980s.

Tesco, for example, has a fleet of 230 lorries, each of which averages 800 miles a week. "Every year, therefore, our own fleet covers some 9.5m miles which, in its turn, costs more than £600,000 for fuel—and this excludes our in-store heating and ventilation bill, or the fuel costs of the goods delivered direct from suppliers."

Even a marginal increase in fuel costs, suggests MacLaurin, can have a serious inflationary effect on retailers' costs. Tesco's response is to ensure that new stores are sited as close to public transport as possible and, more importantly, by overhauling its distribution system which, for most retailers, is obviously the less glamorous side of retailing.

The development of electronic check-outs, especially the laser-scanning of special "bar codes" on grocery products, will also mean "a whole new ball game." The full introduction of electronic checkouts is likely to cost Tesco up to £90m in new capital investment—but the potential savings from the reduction in costs "will be quite dramatic."

The key to successful retailing in the 1980s, however, will be how far retailers plan their operations to take advantage of new developments. The retail trade is notorious for its failure to plan ahead. "We've all had experience of running the business by the seat of our pants, changing our minds every other day. But once you've experienced the frustrations of that you realise you've got to plan for the long term with everyone knowing exactly where they are going."

Tesco's strategy in the 1980s is "crystal clear," he says. In the first place, it plans to push ahead with a massive programme of new superstore expansion. "We are about to undertake the biggest development programme we've ever had in one year, with some extra 600,000 square feet of selling space coming on stream."

Secondly, "we will continue to up-grade our stores and where we have the space will introduce concessions into fields where we do not have the skills to be in ourselves."

And, thirdly, there will be the development into non-foods, such as clothing, electrical equipment, records, and a number of other areas. "We've got to fight the 'Checkout' battle all over again on our non-foods side," he adds. "Providing we can get the package right—and that includes the right brands, specialist advice and after sales service—we know we can get the volume of sales and do as well as any specialist retailer."

Tesco and other retailers, however, still have to fight the continuing battle with some manufacturers who are reluctant to supply discount retailers. The Office of Fair Trading is currently investigating complaints by Tesco and others into manufacturers' refusing to supply a range of goods, including audio and video equipment, cosmetics, clothes, and jewellery.

By the end of the 1980s, however, MacLaurin believes that the major multiple retailers will have developed into junior, self-service department stores selling a wide range of consumer durables, clothes, and household wares in addition to the traditional grocery sales.

For Tesco in particular, he would want to see this development "talked about in the same way as people talk about Marks and Spencers now, who I think have done a magnificent job as retailers."

In spite of the problems and difficulties facing the retail sector in the 1980s, MacLaurin is basically optimistic. "I think we have a tremendously exciting future ahead of us—if we mess it up it will be entirely our own fault."

ABM adds £6m BR

PETER MARSH'S confident assertion that his agency would win the British Rail advertising—at £6m the biggest single account ever to switch agencies—has proved right. In the end Allen Brady Marsh was competing with its big British competitor, Saatchi and Saatchi, and gained the business on the nod of Sir Peter Parker, chairman of BR.

In the past British Rail has used a number of agencies but last year it was decided to co-ordinate all the advertising and promotion in one agency and the existing incumbents were asked to pitch with some others. Much money was invested in the presentations (ABM used Jimmy Savile), but all along Marsh, who already services Sealink, expected the business. It puts ABM's billings up to £42m a year. Marsh dominates the agency, and believes his commitment to it ensures a stability and assurance which gives it the edge over competition which has to answer to American owners or outside shareholders.

● HARRISON Cowley, the Bristol-centred agency with a chain of successful regional offices, is adding an executive selection company to its services in Bristol. The group is surely unusual in increasing its profit this year by 75 per cent to £750,000, despite losing £100,000 through the ITV strike, which must make it one of the most profitable agencies in the country. Chairman David Harrison is still thinking about setting up in London, perhaps by backing an aspiring entrepreneur in the business; he is also considering making Harrison Cowley a public company again.

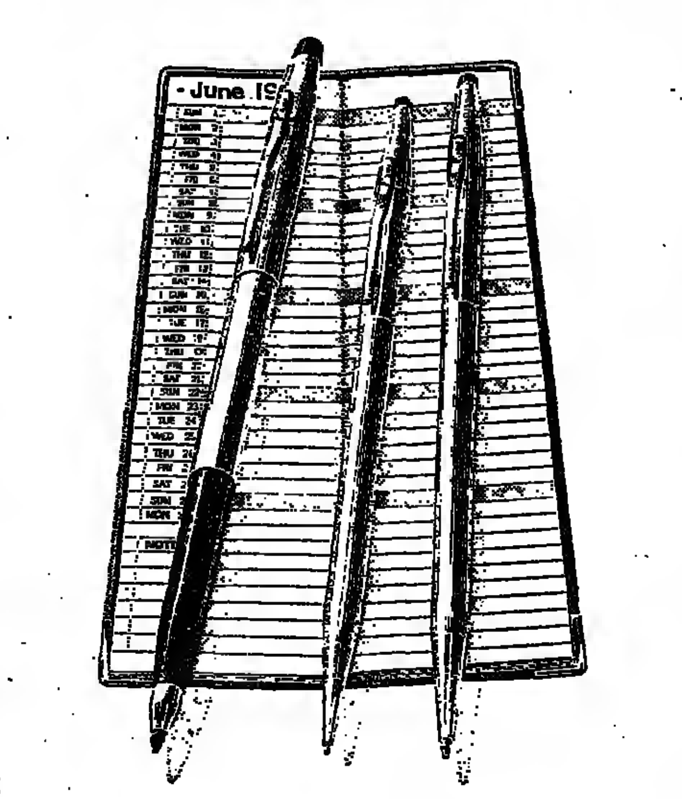
● IN A typically tendentious article in the forthcoming issue of Admap, Harry Henry suggests that the decline in total newspaper circulations by 10 per cent in the past 13 years is a direct consequence of an increase in newspaper prices by 50 per cent in real terms, and has nothing to do with broader social trends. However, advertising rates have remained virtually unchanged, again in real terms.

● ROSSER Reeves, the fast-growing New York agency which has billings of $46m after 18 months in business, has formed an affiliation with Wood Brigdale, the London agency with billings of £2.5m. Reeves, a former chairman of Ted Bates, set up his own agency in his mid-sixties, and specialises, like Wood Brigdale, in fast-moving consumer goods.

● The latest edition of Marketing Trends from Nielsen covers couponing around the world, marketing information systems, and a table showing the concentration of grocery turnover in 22 countries. This suggests that in Brazil the top 2 per cent of stores handle a half of sales with a similar concentrated situation in France and Mexico. In the UK 5 per cent of stores look after a half of turnover while in Italy the small man still reigns supreme, with half of turnover spread around 17 per cent of outlets.

● OBM is to look after the marketing push into Africa planned by Shulton Overseas Operations, a new company formed, among other things, to promote Old Spice, Blue Stratos and Mandate in Nigeria, Kenya and French West Africa.

● CURRY'S diversification into the small computer field will be supported by advertising from David Williams and Ketchum.



LOMBARD

Root pruning for the money tree

BY ANTHONY HARRIS

THE JAPANESE have long known that if you want to produce a shapely miniature tree, you restrict the roots instead of hacking at the branches. It seems to me that there could be more than a metaphor (or a learned pun) in favour of a similarly radical approach to monetary control.

Consider for a moment what we actually mean by controlling the money supply. Freeing your mind of fashionable arguments and technicalities, it means controlling bank intermediation. We beck, but we seldom inquire what it is that makes the thing grow.

Sheer power

This only shows how familiarity breeds neglect; for on the face of it, the sheer power of bank intermediation needs some explaining. Banks borrow funds from depositors and lend them on to companies and private people, pocketing a hefty margin on the way; yet there is no law against direct lending by potential depositors to would-be borrowers, leaving the margin to be split between the two. Indeed, there was a flourishing inter-company credit market as recently as 1971, when the volume of bank lending was directly restricted. Yet if there is any possibility of getting the backing of a bank—by way of acceptance if not through deposits—lenders will eagerly pay the margin for it. What are they buying?

The textbook answer is that they are buying liquidity. This is obvious enough where bank deposits are concerned, but when it comes to accepted credit, we are only adding a loop to the problem: an accepted credit is more liquid than an ordinary IOU simply because it has the bank's name on it, but the special appeal of bankishness remains to be explained.

The answer, I suspect, lies in the fact that banks really do reduce the riskiness of lending in this country even more than in other places. This is partly because they can survey a wider market and use better credit information; but also because if they choose wrong, they have a better chance of being repaid.

The facts here, which are a matter of banking practice, are not easy to establish. When I last suggested that the banks in this country rely excessively on secured lending, thus conforming to the caricature of a man who will only lend you an umbrella in dry weather, I got quite a roasting. The chairman of one clearing bank summoned me to inspect figures showing that more than half his lending was unsecured—which may have something to do with the fact that even a bank chairman may quail before the thought of demanding collateral security from the Treasurer of Shell, GEC or Whitbreads. Others reminded me that collateral is often required in lands across the sea. Nothing has altered my impression that it is much easier for a small company to get an unsecured loan in almost any other country.

Apart from the knowledge that banks can often jump the queue in a bankruptcy, lenders and depositors in London have a second line of defence: the Bank of England has practically made London the City of Last Resort. Depositors in Germany and even Switzerland have been allowed to lose their money. Here we had the lifeboat.

Now Confucius ought to have remarked that the man who tries to abolish risk will sleep more easily if he has a printing press at his disposal. In plain language, I suspect that we have overdone it. Risk elimination pushed to the extreme is simply another word for inflation, for there is no way that a lot of dud IOUs can be magically transformed into real values.

Real value

All this seems to point to one conclusion: it might be easier to control the growth of bank intermediation by pruning the roots rather than constantly mounting expensive attacks on the visible twigs and branches. The roots are nurtured on privileged lending status. Therefore measures to restrict the access of banks to collateral security, and to the lender of last resort, might do more than any number of corsets and tap stocks to control monetary growth. To restore the real value of money, we may also have to restore the real meaning of risk.

Cable television tied in a knot

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

THE EUROPEAN COURT last week entertained a group of legal journalists from the member states of the Community. The meeting helped to remove several misconceptions of a good many journalists, and with them of the public, concerning the working of the European Court. But it also revealed the somewhat less than splendid isolation in which the court performs tasks so essential for the survival of the Community.

In addition to deciding disputes among Community institutions and between them and the member States, one of the main functions of the European Court is to develop the law of the Communities by providing authoritative interpretation of the treaties when asked to do so by a judge in a member state. This does not mean, as is sometimes still assumed, that there is an appeal from national courts to the European Court in Luxembourg. Once the European Court has given its ruling on Community law, the case returns to the national judge.

Nor is it a function of the European Court to enforce decisions of the Commission. Decisions taken by the Commission in respect of private parties can be appealed against in the European Court. However this particular function seems to be somewhat obscured by the habit of the Court not to communicate its decisions to the press directly, but through the Commission's spokesmen in Brussels.

While the public is not adequately informed about the work of the court it is equally true that the court does not show sufficient awareness of the economic and political background against which its judgments are viewed by outsiders. When a member of the editorial staff of Le Monde spoke of the apprehension with which the member states observe how the court's judgments can change the original meaning of the treaties, he was told by the French judge, M. Adolph Touffait, that such fears of a "Europe of the judges" is a purely French phobia dating back to the French revolution. When the fear was expressed by another journalist that the court's zeal for integration may cause Community law to run too far ahead of economic and political realities, creating conflicts between member states, the answer given from the platform was purely formal, as though such fears were due only to a misunderstanding of the function of the court.

This seemed to be all the more regrettable since the hearing which the visiting journalists were able to attend provided an excellent example of how the court is driven towards legal innovation not only by the pressure of the EEC Commission but also by technical developments not foreseen in the treaties. The hearing dealt with two cases* both originating from objections to German TV broadcasts being retransmitted in Belgium. German television can be received satisfactorily in Belgian border districts, but not throughout the country. For that reason three Coditel companies serving the regions of Brussels, Brabant and Liege, pick up the German signal on their aerials and relay it by cable to their subscribers.

As part of this service they relayed from Germany a French film, Le Boucher, for which Cine Vog holds sole distribution rights in Belgium. Cine Vog sued the Coditel companies for infringement of copyright. At the same time Coditel also was accused of having fallen foul of Belgian regulations prohibiting the broadcasting and transmission of TV commercials in Belgium. This led to a criminal prosecution of the Coditel companies, their officials, and an associate.

Taking the question of copyright first, one can see that this is a problem which does not exist in the UK. The free transmission by cable of broadcasts originating in the UK is assured by statute, and as far as broadcasts from abroad are concerned, the Performing Rights Tribunal can exempt their retransmission from copyright fees. In Germany the courts view cable television from the point of view of the subscribers, as a sort of an extended aerial, thereby achieving very much the same effect as the UK legislation.

The problem is unsolved in Italy and Denmark and controversial in France. Belgium and Luxembourg simply follow the Berne Copyright Convention under which the holder of the distribution rights to a French film could obtain in the Belgian courts an order prohibiting the infringement of his copyright.

Such enforcement of copyright is, however, opposed by the European Commission which would like to see copyright restricted in the same way in which it succeeded in restricting patents and trade marks under the doctrine of exhaustion of rights. The Commission insists that if German television obtains from a French film maker permission to broadcast but also to re-transmit by cable, the Belgian distributor cannot stop the cable transmission of that film in Belgium. It is the same, says the Commission, as when a patented product is placed on the market in one of the member states by the patent holder, or with his permission. A licensee in another member state, as the European Court has held in several cases, cannot then stop the importation of this product into his "exclusive" area.

Both the British and German Governments strongly oppose this view. It would deprive authors' rights of all meaning if so wide an interpretation were to be given to the competition rules of the EEC Treaty and to Article 59 providing for freedom of cross-border services.

The other case, the criminal prosecution before a Belgian court of Coditel for retransmitting German commercials, is even more complicated. Several issues of EEC law are involved. Does the treaty guarantee of the freedom to provide services across national frontiers extend to services contracted between parties within one member state if the "contents" of these services come from abroad? The two parties are the Coditel companies on one hand and their subscribers on the other. The contents, of course, is German broadcasts picked up in Belgium. The second question is whether the Belgian prohibition of commercial broadcasts can be justified on grounds of public policy.

The Commission is pressing hard for an end to the Belgian ban on commercial broadcasts. It argues that though prohibited, such broadcasts do not in practice lead to prosecutions when they originate in a valid form from Belgian TV stations. The Commission therefore rejects the public policy argument and asserts that the prohibition in practice hits only at foreign broadcasts.

The French Government wants national and European regulations which would prevent technicians making insensitive cuts in programmes. The Luxembourg Government wholeheartedly supports the Commission which, in turn, is vigorously opposed by the German Government. In the German view there has to be some legal or commercial relation between the supplier and consumer of services, otherwise there is nothing to protect. No such relationship exists between the German television and the Belgian viewers. All member states in one way or another regulate commercial broadcasts and, in the German view, Community law cannot be used as a lever against a general prohibition of commercial broadcasts even if that prohibition is not always fully effective in practice.

* European Court, Luxembourg, Case 62/79 Coditel v Cine Vog and Case 52/79 [illegible].

Broadleas safest Kempton bet

RACING

BY DARE WIGAN

THE SAFEST bet on a tortuous programme at Kempton this afternoon appears to be Broadleas in Division II of the Vauxhall Novices Hurdle (3.15). This gelding, trained by Capt. Ryan Price for his wife, has shown promise in both his races over the minor obstacles: first, when runner-up to Persian Crown at Fontwell last December, and again when he divided Esparto and Mill Street three weeks ago at Sandown where he was baulked approaching the final flight.

The Richmond Novices Chase (1.15) looks to be virtually a match between Betton Gorse and Royal Charley. Betton Gorse, upset the long odds made on Kybo at Lingfield earlier in the month. Any horse who has defeated Kybo by four lengths at level weights is a certainty, barring a fall, for any Novices event.

However, that promising young jockey, R. Rowe (who made ample amends by a flawless exhibition on Kybo at Ascot last weekend) made a proper nonsense of things at Lingfield by lying miles out of his ground. Betton Gorse is taken to beat Royal Charley, but with no great confidence.

Whether Derek Kent wins with Royal Charley, I expect him to take the Hounslow Handicap Hurdle (2.15) with Mister Oats, who trotted up at Worcester. Perambulate has Sweeping Along to beat in the Staines Handicap Chase (2.45).

Division I of the Vauxhall Novices Hurdle (12.45) may go to Benson. Fred Winter's gelding was unplaced at Windsor 12 days ago when finishing sixth of 21 behind Buffoon, but no doubt he will have benefited from that race.

An intriguing runner at Towcester is Lord Howard de Walden's Snailwell, a brown gelding by Moulton, who showed some ability in Maiden races on the Flat last season. He need not be special to win Division II of the Marchmont Novices Hurdle (3.15). Mandy's Gift ought not to be troubled to win Division I of this event (12.45).

At Taunton, Go Gently, from L. Kennard's in-form local stable, looks like providing the answer to Division I of the Necktie Novices Hurdle (1.00).

KEMPTON
12.45—Benson**
1.15—Betton Gorse
1.45—Valiant Charger
2.15—Mister Oats
2.45—Perambulate
3.15—Broadleas***

TOWCESTER
12.45—Mandy's Gift*
1.15—Brown Jock
3.15—Snailwell

TAUNTON
1.00—Go Gently

TV Radio

BBC 1

† Indicates programme in black and white

9.00 am For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 The Flumps. 2.00 You and Me. 2.15 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Deputy Dawg. 4.25 Jackanory. 4.40 Screen Test. 5.05 John Craven's Newsround. 5.10 Blue Peter. 5.35 Ivor the Engine.
5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
7.55 Blankety Blank.
8.30 The Dawson Watch.
9.00 News.
9.25 The Richard Dimbleby Lecture (Roy Jenkins: Home Thoughts from Abroad).
10.15 Play for Today.
11.35 The Sky at Night.
11.55 Weather/Regional News.

All Regions as BBC-1 except at the following times:

Scotland—9.47-10.30 am and 11.30-11.50 For Schools. 12.40-12.45 pm The Scottish News. 3.40-3.00 For Schools. 5.55-6.20 Reporting Scotland. 11.55 News and Weather for Scotland.

Wales—2.15-2.35 pm I Ysgolion. 5.55-6.20 Wales Today. 6.55-7.20 Heddiw. 10.15 The Colliers' Crusade. 10.45 Play for Today: "Instant Enlightenment Including VAT," by Andrew Carr. 12.05 am News and Weather for Wales.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 6.55-7.20 Sportsweek. 11.55 News Headlines. 11.59 Festival Notebook from Belfast. 12.14 am Tomorrow's World. 12.39 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth).

BBC 2

11.00 am Play School (as BBC 1 3.55 pm).
2.00 pm Tennis: The Daihatsu Challenge.
4.40-5.30 Open University.
†5.35 Laurel and Hardy in "Busy Bodies."
†5.55 George Formby in "Spare A Copper."
7.10 Mid-evening News.
7.20 Newsweek: Do Our Schools Make the Grade?
7.55 Maestro.
8.25 Premiere.
9.00 Kelly Monteith.
9.30 Diamonds in the Sky.
10.20 Richard Stilgoe with guests Barbara Dickson, Julian Lloyd Webber.
10.45 Tennis: Daihatsu Challenge highlights.
11.25 Late News.
11.40 Closedown reading.

LONDON

9.30 am Schools Programmes. 12.00 Animal Kwackers. 12.10 pm Once Upon a Time. 12.30 Emmerdale Farm. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Armchair Thriller. 2.00 After Noon Plus. 2.45 London Belongs to Me. 3.45 Quick on the Draw. 4.15 Project UFO. 5.15 Mr. and Mrs.
5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 Sapphire and Steel.
7.30 Charlie's Angels.
8.30 TV Eye.
9.00 Fallen Hero.
10.00 News.
10.30 Thames Report.
11.00 The Streets of San Francisco.
12.00 What the Papers Say.
12.20 am Close: Personal Choice with Ray Smith.

All IBA Regions as London except at the following times:—

ANGLIA

1.25 pm Anglia News. 4.15 The Beachcombers. 4.45 Little Vic. 5.15 Makin' It. 6.00 About Anglia. 6.20 Arena. 10.30 Frontiers of Discovery. 11.00 Camera. 11.30 Power Without Glory. 12.30 am The Living Word.

ATV

1.20 pm ATV Newsdesk. 4.15 Popeye. 4.20 The Jetsons. 4.45 Project UFO. 6.00 ATV Today. 10.30 Format V. 11.10 Cinema Showcase: "Bob and Carol and Ted and Alice," starring Natalie Wood, Robert Culp, Elliot Gould and Dyan Cannon.

BORDER

1.20 pm Border News. 4.15 Red Gauntlet. 4.45 The Life and Times of Grizzly Adams. 6.00 Lookaround Thursday. 10.30 Soap. 11.00 Late Film: "Soldier In The Rain." 12.30 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where, and Weather. 6.00 Report at Six. 10.28 Channel Late News. 10.32 Jericho. 11.25 TV Movie Premiere: "The Keegans." 12.40 am News and Weather in French.

GRAMPIAN

9.20 am First Thing. 1.20 pm Grampian News Headlines. 4.15 Little House on the Prairie. 5.10 Police Newsroom. 6.00 Grampian Today. 10.30 The Electric Theatre Show. 11.00 Mannix. 11.55 Reflections. 12.00 Grampian Late Night Headlines.

GRANADA

1.20 pm Granada Reports. 4.15 The Woody Woodpecker Show. 4.45 Batmen. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Get Some In. 10.30 Celebration. 11.00 What the Papers Say. 11.20 Bluey.

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 4.15 Spiderman. 4.45 Wyatt's Place. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Sports Arena. 10.35 Gallery. 11.05 Police Story.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.45 "Shane." 5.15-5.20 Cartoontime. 6.00-6.15 Y Dydd. 10.35-11.05 Image.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.00-7.00 Report West.

SCOTTISH

1.25 pm News and Road and Weather. 4.15 Little House on the Prairie. 5.15 Cartoon. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Beverly Hillbillies. 10.30 Late Call. 10.40 One in a Hundred. 11.10 Take the Mick. 11.35 Mannix.

SOUTHERN

1.20 pm Southern News. 2.45 Houseparty. 3.10 Cartoon. 3.15 Get Some In. 4.15 Tarzan. 6.15 Malotoona. 5.20 Crossroads. 6.00 Day By Day. 5.30 The Squirrels. 10.30 Southern News Extra. 10.35 People Rule! 11.05 Vegas.

TYNE TEES

6.20 am The Good Word, followed by North-East News Headlines. 1.20 pm North-East News and Lookaround. 4.15 The Beachcombers. 4.45 The Life and Times of Grizzly Adams. 5.00 Northern Life. 10.30 North-East News Headlines. 10.35 Star Parade. 11.05 Doctor's Private Lives. 12.00 Soap. 12.30 am Epilogue.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News Headlines. 4.15 Little House on the Prairie. 5.15 Cartoon. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 10.30 Counterpoint. 11.15 Laverne and Shirley. 11.45 Pro-Celebrity Darts. 12.15 am Bedtime.

WESTWARD

12.27 am Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.15 Project UFO. 6.00 Westward Diary. 10.32 Westward Late News. 10.36 Westward Report. 11.05 Politics West. 11.25 TV Movie Premiere: "The Keegans". 12.40 am Faith for Life. 12.45 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 4.15 Rocket Robin Hood. 4.45 Tarzan. 6.00 Calendar (Emley Moor and Belmont editions). 10.30 With a Little Help. 11.00 "Satan's School For Girls," starring Kate Jackson, Pamela Franklin and Jo Van Fleet.

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo
2	693kHz/433m 909kHz/330m & 88-92.5vhf stereo	4	200kHz/1500m & 92.95vhf

BBC Radio London: 1458kHz 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen from Cologne. 7.00 Talkabout. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary; Weather. 5.03 Tony Brandon (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Derek Hobson's Open House (S). 2.15 David Hamilton (S). 4.15 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 John Dunn (S). 6.45 Sports Desk. 7.02 Country Club (S). 9.02 Folkweave (S). 9.55 Sports Desk. 10.02 Tony's. 10.30 Star Sound Extra. 11.02 Brian Matthew with Round Midnight including 12.00 News. 2.02-5.00 am You and the Night and the Music with Liz Allen (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture Concert, part 1 (S). 8.00 News. 8.05 Concert, part 2. 9.00 News. 9.05 This Week's Composer: Richard Strauss (S). 9.50 Bath Festival 1979 Concert, part 1 (S). 10.50 Interval Reading. 10.55 Concert, part 2. 11.35 BBC Northern Symphony Orchestra (S). 1.00 pm News. 1.05 Bristol Lunchtime Concert (S). 2.00 "Die Konigin von Saba." Opera in four acts by Goldmark, Act 1 (S). 2.55 In Short (talk). 3.05 "Die Konigin von Saba." Acts 2, 3 and 4 (S), including 3.50-3.55 Interval Reading. 4.40 Music for Lute (S). 5.25 Homeward Bound (S), including 5.45-5.50 News. ‡6.15 At Home. 7.15 Talking About Music with Anthony Hopkins (S). 7.45 Suez 1956: Neither War Nor Peace at 10 Downing Street (discussion, with William Clark). 8.30 Bruno-Leonardo Gelber piano recital (S). 9.00 "The Lizard Syndrome": play by Kate Soper (S). 9.40 Schubert and Webern concert (S). 10.00 Music In Our Time (S). 11.00 Building a Library of records (S). 11.30 Britten: Suite No. 3 (S). 11.55-12.00 News.

VHF only—6.15-7.10 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day; 7.00, 8.00 Today's News; 7.30, 8.30 News Headlines; 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.05 The Movie Moguls. 10.30 Daily Service. 10.45 Whip Hand. 11.00 News. 11.05 File on 4. 11.50 Piano Parlour. 12.00 News. 12.02 pm You and Yours. 12.27 Many a Slip (S). 12.55 Weather: programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre (S). 4.15 Any Answers? 4.45 Short Story. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Top of the Form. 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 City of Birmingham Symphony Orchestra concert, part 1: Brahms (S). 8.20 Transports of Delight. 8.40 CBSO, part 2: Dvorak (S). 8.40 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 5.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 3.03 Showcase. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 Question Time. 9.00-5.00 am Join Radio 2.

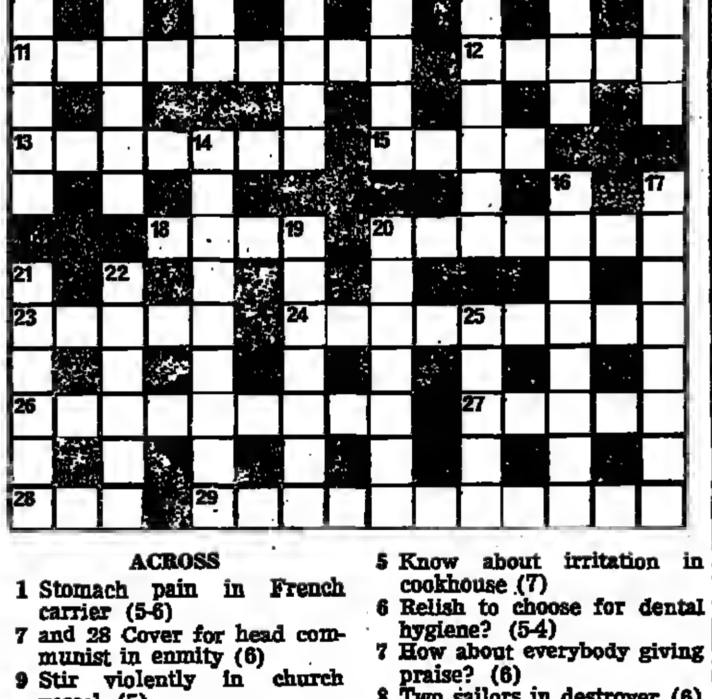
London Broadcasting

5.00 am AM with Bob Holness and Doug Cameron. 10.00 The Brian Hayes Show. 1.00 pm LBC Reports. 3.00 George Gale's 3 O'clock Call. 4.00 LBC Reports. 8.00 After Eight Special. 9.00 Nightline with Steve Jones (special guest Mike Oldfield). 12.00 LBC Reports Midnight. 1.00 am Night Extra with Tara Jefferies. 5.00 Morning Music.

Capital Radio

5.00 am Graham Dene's Breakfast Show (S). 9.00 Mike Allen (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 Lord George-Brown's Capital Commentary (S). 7.10 London Today (S). 7.30 Ric Davis's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,132



ACROSS

1 Stomach pain in French carrier (5-6)
7 and 28 Cover for head communist in enmity (6)
9 Stir violently in church vessel (5)
10 Gas-ring for penny-a-liner? (3-6)
11 What detergent manufacturers strive for could be utter defeat (9)
12 Catch article in pipe (5)
13 Petition, in a high degree lawful (7)
15 Nothing about article to pin down (4)
18 Cast goes to ship (4)
20 A hint of something in pink lingerie (7)
23 Soft thin piece of timber (5)
24 Assignment to cultivate (9)
26 Practising medicine and tampering with things (9)
27 Unfit in eastern exercises (5)
28 see 7 Across
29 Ignite boat with kindling. (11)

DOWN

1 Defender told to clean up the undertow (8)
2 Outrageously bullied eastern leader but it could be avoidable (8)
3 Stupid person caught sand-hill (5)
4 Surface making snake (7)
5 Know about irritation in cookhouse (7)
6 Relish to choose for dental hygiene? (5-4)
7 How about everybody giving praise? (6)
8 Two sailors in destroyer (6)
14 Time to beat up game (5-4)
16 Support in the main for career with band (8)
17 Apparatus for stirring up troublemaker (8)
19 Fish that is right but more dubious (7)
20 Unlawful to be sick for example with a student (7)
21 Fly-catcher seen in billiard-hall (6)
22 Ran over detectives? That's bad! (6)
25 Lean on top of gate and object (5)

Solution to Puzzle No. 4,131

ENTERTAINMENT GUIDE

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[illegible]

CINEMAS

[illegible]

ART GALLERIES

[illegible]

CLUBS

[illegible]

THE ARTS

Her Majesty's

Rookery Nook

by B. A. YOUNG

No nude girls appear in the Ben Travers farces. No one is bashed over the head from behind a door in mistake for somebody else. There are very few quotable jokes. The plays stand up through the decades because of the skill with which the situations are built up and the characters given sharp but uncomplicated personalities.

You might lay down two rules for playing them today. One, nobody should try to be funnier than Ben Travers. Two, nobody should try to imitate the players in the original Aldwych productions. Both rules are dented, if not broken, in Frank Dunlop's production of *Rookery Nook*. Nicky Henson, who is otherwise delightful in the part of Gerald Popkiss, the young married man who finds himself with a strange girl in his house, is allowed to perform somersaults and to make some semaphoring gestures beyond the call of farce; and Andrew Robertson as his hen-pecked neighbour Harold Twine produces attitudes and vocal mannerisms that come astonishingly close to the Robertson Hare manner, considering that he was not born until after the great Aldwych seasons were long over.

More than that, as Mrs. Leverett might put it, I will not say. The evening is pure joy, and critics' intellectual objections may be tucked under the seat with coats.

Mrs. Leverett is the daily woman in the house where Gerald Popkiss, or Nicky Henson, has come for a holiday. She is played by Dora Bryan, and she is nothing like Mary Brough but (if my 50-year-old memory is reliable) just as funny. She is just as funny because she has Mr. Travers's lines and she plays them splendidly without exaggeration. Like many marginal characters in Travers plays, she is given curious modes of speech ("Earlier than that I cannot be," "The other bedrooms is elsewhere") which are comic without being jokes. Putz, the German stepfather of the intrusive girl Rhoda, gets the same treatment: "You are who?" he asks threateningly, and Peter Scofield is the complete stage German of pre-Nazi days, though his German accent isn't up to much.

Terence Frisby is the other Popkiss who is involved, less innocently but less actively, in the affairs resulting on the pyjama-clad arrival of Rhoda (Nina Thomas, pretty as a picture). I have no intention of decanting the champagne of the plot (it was Walkley, not Archer, who made that comparison); to find out what part in it is played by Geoffrey Lumsden as an infuriated admiral, Josephine Tewson as a village gossip, Cherith Mellor as an itinerant vendor of lifeboat flags, you must see the play.

It is presented with great polish in a good set by Michael Annals which looks a bit grand for a country cottage, though no doubt this is the result of the need to fill the big stage of Her Majesty's. It is possible that newcomers to farce of this character may find the first ten minutes slow going as the plotting begins. Let me counsel patience: nothing is slow afterwards, and the end, scorning any possibility of a well-made conclusion, is the happiest of chaos.

Leonard Burt

Nicky Henson and Dora Bryan

Sadler's Wells

Don Giovanni

The previous Scottish Opera visit to Rosebery Avenue, six years ago, was a heartening affair—a *Tristan* admirably scaled to Sadler's Wells dimensions without skimping, a subtle and sensitive *Pelléas*. This week, the company returns with a new production of *Don Giovanni* and the *Orfeo ed Euridice* described in these columns last month. A rather different and disheartening tale was told by the first night of the former, on Tuesday: of ample musical resources left under-exploited by limp musical direction; and, more significant, of a production style that had abandoned the once-typical Scottish Opera virtues of good sense and plain speaking in favour of modish claptrap.

The producer is David Pountney, the Scottish Opera Director of Productions, remembered for (among other things) a meticulously musical and carefully characterised *Meistersinger*, and for the imaginative daring lavished on David Blake's *Toussaint* at the Coliseum. It was as well to clutch on to such memories while watching, at times in a state approaching disbelief, the trail of rubbish left by this shallow and vulgar *Don Giovanni*. It exhibited several of the noxious tendencies peculiar to that dangerous species, the modern Thinking Opera Producer. One is the urge to people the stage with cohorts of extras, massed in defiance of stage directions, music, and, therefore, sense (so "Fuggi, crudele" became an ensemble for Anna, Ottavio, and six mute attendants, "Ah! chi mi dice mai" a scene with a subplot for Elvira's maid, the Act 1 quartet a burial procession complete with coffin and pallbearers). Etcetera.

Another is the readiness to confuse the dramatic depiction of sexual tensions with a plentiful lolling about on the floor (like bad television adaptations of Restoration comedy), and with a bounty of coarse, redundant byplay, all arms akimbo and outflung breasts, that reached a nadir of sorts in the supper scene, when Giovanni attempted to stuff a banana into Elvira's mouth and threw wine down her bodice. The driving force behind these and other excrescences seemed to be the desperate need to throw light on some or other fancy connected with the substance of the opera. It did not matter what that fancy might be, since it was neither clearly nor sentiently *communicated* in the actions of music-drama, but flung at the audience in a welter of irrelevant and disconnected embellishments.

Needless to say, the most *important things* about the opera got submerged: the exploration of character; the peculiar and terrifying mixture of comedy and drama (not much genuine *giocosità* here); the great balance of profundity and formal innovation. The close of the first act and Giovanni's end, two familiar danger points, were both laughably botched. The designer, Maria Björnson, had costumed the characters in the manner of Velazquez (he is suddenly all the rage—the Welsh National *Ernani* also has a bevy of meninas). As usual in her work, there is a quantity of fascinating, richly elaborated detail, much heavy, sumptuous Spanishry; but the sum, on a stage bounded by imposing facades and wooden slat-blinds, is incoherent. Nick Chelton's lighting rings busy changes on queasy greens, lurid reds, sudden "cinematic" highlightings; to judge by some of Tuesday's fumblings, the lighting box at Sadler's Wells was proving somewhat unresponsive to his demands.

The pity of it all is that a good cast had been gathered, and needed only shaping and direction to become an excellent cast. Streets ahead of all is Felicity Palmer, an already practised Elvira, whose sense of style lifted her on to another level, despite the crude, vinegary, and violent things Mr. Pountney had asked her to do. But something funny has been happening to the voice; most of the evening it sounded both piercingly metallic and uncomfortably bottled. Norma Sharp's Anna has lost much of the stature it had at Glyndebourne; the tone, though always purely focused, was narrow and wanting in emotional resonance, the characterisation hysterical. Marie Slorach acted and sang an efficient, hard-boiled Zerlina.

This is, I believe, Robert Lloyd's first encounter with the title role. A performer of his elegant, smooth, capacious vocal resources and indolently handsome figure should properly have been encouraged to follow the Siepi line of aristocratic devil-may-care; instead, what has been arrived at is an *unlikely combination* of *Lord* Foppington, Don Quixote, and Sparafucile. Even in these circumstances the singing was impressive; in "Finch'han dal vino" the line was unfazed, in the serenade it was even; though a bass in a baritone role Mr. Lloyd does not sound cumbrous. In any case, the contrast with Willard White's Leporello (one or two interesting touches amid too much that was soft-edged, and pronounced in unidiomatic Italian) and Donald Maxwell's brashly assertive Masetto was keen enough to avoid confusions of timbre. Robin Leggate's Ottavio was almost the only natural portrayal on stage, though less steadily sung than one expected. The performance was conducted by Alexander Gibson, and was as notably lacking in rhythmic backbone or cumulative energy as in dramatic precision.

MAX LOPPERT

Record Review

Record revolutions?

by DOMINIC GILL

Beethoven: Piano sonatas 1-7. Bernard Roberts. Nimbus D/C 901 (4-disc box, £19.40).
Chopin: Four Scherzi. Marta Deyanova. Nimbus 2124 (£4.85).

When considering the claims made by record companies for the various new recording techniques that have been introduced in recent years, it's important to bear in mind that the production line from recording studio to home performance — like the home hi-fi ensemble itself — is only as good as its weakest link.

Just as there is no point in buying a pair of very good and very expensive loudspeakers if you are going to run them with a cheap, ill-matched and underrated amplifier, the benefits of using advanced computer technology for recording in the studio can be cancelled out entirely by a weakness in any part of the subsequent chain—in the actual recording and engineering techniques involved; in the pressing (these days often on unstable, recycled vinyl); and not least, in the quality and type of equipment used to reproduce the sound in the home.

"Digital" recording is potentially superior to the conventional analogue *system*, *since it* by-passes magnetic tape entirely at the recording stage (and thus also tape-distortion and tape-hiss); has a virtually unlimited dynamic range; and is *almost* indestructible, because of its non-mechanical nature. But we, the consumers, must still play back our recordings at home on conventional analogue equipment, either on tape (most probably a mass-produced cassette) or on disc (often warped and badly pressed). The subsequent links in the chain are as weak as they ever were.

I have not yet been able to detect the slightest significant difference between any new digitally-recorded commercial disc and the best of those produced in the conventional way. Some, because of poor pressings, have been significantly worse. The new technology is not so far, from the consumers' point of view, the revolution it is sometimes dressed up to be. Its full impact will certainly be felt eventually: but not, I suspect, until we all have digital sound-processors at home (of some standardised type) to reproduce the digitally-recorded sound.

Some other, *usually smaller*, record companies have been experimenting with less expensive ways of improving their quality of their recordings—notably in two fields, called for convenience "Direct Cut" and "Fast Play." By the conventional process, a performance to be issued on disc is first recorded on multi-channel tape, edited, spliced and corrected, mixed for stereo, and transferred to a master-disc for pressing. The final result may bear little resemblance to what actually went on in the studio (a single movement of a sonata can be, and sometimes is, made up of literally hundreds of short takes and re-takes spliced together); and a *certain* amount of quality is lost by recording first on tape and then transferring to disc.

"Direct Cut," like digital recording, by-passes the magnetic tape stage entirely, cutting the performance directly on to a master disc. It also rules out editing: the groove-cutter is not raised from the disc until the whole side is finished; the music is recorded as it was played, warts, fluffs and all. At first sight the idea is attractive: the performance may be that much more "authentic" heard in direct and unedited form. The sound-quality, by-passing tape, should also be richer and clearer, less distorted, and contain no tape-hiss at all.

But there are also disadvantages. Technically, the system allows less room for manoeuvre and *correction* — *still greater* attention must be paid to the fine points of recording technique in the studio; and the performer, far from feeling a sense of joyful release, may actually feel intimidated and constrained by the knowledge that his mistakes cannot be edited away. His performance may, paradoxically, sound less spontaneous, and less daring, than one recorded under more "artificial" conditions. And "artificial" is perhaps the key word: for there is nothing natural to the process of recording a single performance, immutably, on tape or disc; the very process itself is an artifice, a kind of deceit. Direct-cut recordings of live recitals and concerts is another idea — and perhaps a promising one. But a musical performance in a studio full of technicians, without an audience, is not usually an event of the greatest magic — and not at all an event one would necessarily like to capture "whole."

Nimbus is one of the first record companies in Britain to experiment with Direct Cut commercially — though of course the technique (as opposed to the technology applied to it) is not remotely new, and takes us back to the very earliest days of wax-cylinder recording. They claim additionally that the virgin vinyl used for their pressings is three times harder than that commonly used, and gives longer *record life*, as well as less warping. Each side of Bernard Roberts' Beethoven sonata discs is a single entity, heard just as it was played. But for all the enterprise involved, both technically and artistically the set is a disappointment. The acoustical ambience, for a start, is plummy: slightly over-resonant, slightly boxed-in, never ideally clear. The "village hall" presence is no worse than that in many *concert halls*: but if a record is to have any advantage over live performance at all, it must be to present the music in the best possible acoustical light.

The playing is decent — Bernard Roberts is a chamber pianist I greatly admire: but none is a performance I'd feel compelled to rush out and buy. "Frock-coated" was a colleague's accurate epithet. Op. 10 no. 3, for example, invariably a guage to any pianist's success with early Beethoven, is presented with integrity, honesty and intelligence — but without flashing lights, fury or fire. The great *largo e mesto* just sounds nice and straightforward: jolly good, in its very English fashion, but not remotely exciting. The minuet is charmingly done, capped by a gentlemanly rondo (in that finale especially, one senses the constraint that Direct Cut must have provoked).

Ironically enough, I find the sound-quality of Marta Deyanova's performances of the four Chopin Scherzi altogether truer and clearer, close and full-blooded—and they were recorded by Nimbus using the traditional tape-transfer method. The disc's unusual feature is its 45 rpm playing speed—which should produce less surface noise on playback, and give a wider dynamic range. (Interesting to note that Nimbus have not sacrificed playing time by increasing the speed: new cutting techniques mean that 12-inch discs can still hold up to 30 minutes of music even at 45 rpm.) The sound-quality is certainly good: though I have to admit I find it no better than, for example, the best of DGGs piano recordings at 33⅓ rpm. The performances themselves leave something to be desired; sturdy, but without much light and shade, or a great deal of sparkle. Good second-rank.

No new technique has yet emerged, it would seem, to supersede, or even greatly improve, a fine tape-recorded performance, engineered and edited to give as natural and authentic a sound as possible, superbly pressed, and reproduced at home on any of the well-matched, mid-price range hi-fi systems available everywhere. In ten years' time the picture may well be different: but this week, significantly, the most compelling of Nimbus's recent releases are three discs, traditionally recorded by tape-transfer, and playing at no more than 33⅓ rpm, of Vlado Perlemuter's Ravel—good, old-fashioned recordings of a great, old-fashioned pianist which I hope to review next month.

Walthamstow Assembly Hall

Much Ado About Nothing

The Royal Shakespeare Company has taken its two latest small-scale productions of *Much Ado* and *The Caucasian Chalk Circle* to Oldham, Carlisle, Slaithwaite, Scunthorpe, Yeovil and Milton Keynes, to name but a few.

Now it is the turn of the London Boroughs, before both shows appear early next year in the Warehouse. Arts Council Touring has sponsored the jaunt, with Hallmark Cards.

It is too often forgotten that major London-based companies are subsidised by taxpayers in Skipton as well as in Hampstead, and while it is often impractical to suggest that the National or the Royal Ballet should be, like the National Health, as available to the barbarians north of Watford as to the London culture vultures, there is a well-established chamber element in the RSC's work these days that is admirably suited to their obvious predilection for touring.

Ian McKellen, who led last year's small-scale company, is already on record as a champion of the policy. The difference this year is that there is no recognised RSC star in the sticks, although there are several excellent actors—Alun Armstrong, Clive Merrison, Roger Sloman—who are new to the company. Charlotte Cornwell is a delightful Beatrice, and she, of course, with Jane Carr (Margaret), Jill Baker (Hero) and the director/designer team of Howard Davies and Chris Dyer, is a familiar RSC regular.

The Walthamstow audience was banked on three sides of the action. The attention was total, the seats packed, the applause deafening. In spite of all deficiencies—and there are many in the production, not least the completely boring Benedick of Kenneth Colley—the company related to its audience in a manner unthinkable in the Warehouse, that dark ghetto of good intentions and bad sightlines.

There is a feel of the tiring house in the design. A long back wall is decorated with coat-hooks, saddles, rifles and other insignia of a privileged society at leisure. Nothing is made of Benedick's return from the war. Much, on the other hand, is made of Don Pedro's and Claudio's taste for battle, as Mr. Merrison and Hugh Fraser stomp around in riding boots, black coats and white collars, jutting their jaws and behaving as gentlemen should. Such a Claudio would think nothing of disgracing Hero in the Church, nor does he. Nice touch.

I am afraid, though, that Mr. Davies is wrong to take Shaw's advice and reduce the romantic protagonists to almost neutral anonymity. Miss Cornwell survives by sheer personality. Mr. Colley just sinks slowly from sight as the evening progresses. It is just plain silly to trample through the speeches as they do, for the success of the comedy depends, whatever Shaw says, on the richness and subtlety of the central double act. The deception scenes, funnily enough, work better for Mr. Colley as he is given some business with a bunch of balloons at the top of a ladder. Miss Cornwell, when her turn comes, just offers a few grimaces behind an umbrella.

Alun Armstrong's Dogberry is a charming homage to Eric Morecambe, but he misses the wheedling subservience of the part by being so physically assured; also the pathos—what are those losses he hath suffered? Donald Sumpter as Don John is a nicely subdued smiling villain and the musical setting (by Stephen Oliver) of "Sigh No More," three to a bar, is really beautiful.

MICHAEL COVENEY

LSO celebrates with pop classics

To celebrate its 75th anniversary the London Symphony Orchestra has co-operated with K-Tel, the television record promotion company, in the production of "Encore—Anniversary with the classics," a box set of three albums containing popular favourites.

It is to be advertised extensively on television and the hope is that 100,000 copies will be sold. An advantage for the LSO is that it gets a royalty on every set bought.

Patrick White Award

Randolph Stow has won the Patrick White Award for 1979. The Patrick White Award Trust was set up with his Nobel Prize money, the interest from which is awarded annually to the creative writer whose body of work is considered to have made the most distinguished contribution to Australian literature. This year the award amounts to £5,700.

Leonard Burt

Diana Montague and Gary Bennett

National Gallery

Monteverdi

by RONALD CRICHTON

In honour of the Venetian Seventeenth Century Painting loan exhibition the National Gallery on two consecutive evenings (Tuesday and Wednesday) presented a programme of Monteverdi. The small but talented company, Musica nel *chiostro* formed for Adam Pollock's summer festival at Batignano in Tuscany, chose the space under the dome where the wartime concerts took place. Although secret hopes that the *spirit of Dame Myra Hess* would float downwards on a heavenly chariot remained disappointed, memories were stirred.

To be truthful, the space is not ideal for stage works, even on the small scale required for Monteverdi's *Combattimento di Tancredi e Clorinda* and *Ballo delle ingrate*. The small Baroque ensemble under Jane Glover sounded, from quite a near seat, distant and rather dim: only the organ impinged and that grew monotonous. The producer, Patrick Libby, wisely did not attempt too much, but the singers' slow gyrations on their high *platform* so that the three separate blocks of audience could be more or less equally favoured were an unexciting solution. To be fair the voices did not disappear when backs were turned, but tension sagged. Intonation was unreliable.

Il combattimento, one of the sacred cows of Baroque music and, indeed, a piece of great historical importance, is difficult to put across to a modern audience who haven't got printed words and if they had couldn't read them in near-darkness. The always intelligent and stylish Ian Caddy was unable under these circumstances to do much with the long narration. Only the beautiful ending when Clorinda dies made much effect. *Il ballo*, the sad story of heartless wives summoned from Hell by Pluto for the benefit of Venus and Cupid (and of potentially heartless ladies in the audience), came off better. The composition of the ballet was odd: not only presumably equally damned husbands but a monstrous cardinal made their appearance. At least they brought a welcome touch of *grotesque fantasy*.

Diana Montague was touching as the dying Clorinda. Eiddwen Harrhy, dignified but cool in the solo version of the "Lamento d'Arianna," was much more eloquent as the suffering lady who sings the shorter, equally poignant, lament at the close of *Il ballo*. The other soloists in that work (Diana Montague as Venus, *Lesley Garrett* as Cupid, John Tranter as Pluto) were decent but characterless in music full of dramatic expression. Miss Montague wore the costume for Venus very well.

Searching for parallels between visual arts and music in a given period can be misleading, but one couldn't help hoping for, yet hardly felt, currents running between the richness and brilliance of the canvases downstairs by Strozzi and others and these nice but low-voltage performances. They were most clearly detectable in the unstaged ensemble music, the *"Altri canti d'amor"* and Monteverdi's own later version of Ariadne's Lament, both from his Eighth Book of Madrigals. Here the singers already mentioned were joined by John Angelo Messana, Gary Bennett and John Potter.

FINANCIAL TIMES
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Thursday November 22 1979

Re-shuffling the NEB

DESPITE THE hue and cry in Westminster and Whitehall yesterday, the question of whether Rolls-Royce reports to the National Enterprise Board or to the Department of Industry is not one of the greatest issues of our time. What matters is that the company should be efficiently run and that the management should be set clear financial targets for which it is held strictly accountable. Since the company is heavily dependent on funds from the taxpayer, its performance has to be monitored by someone representing the taxpayers' interests. There are plausible reasons why the monitoring should be done by a semi-independent agency rather than a government department. Rolls-Royce is in a business where considerations of national interest—prestige, high technology, exports—can very easily obscure commercial criteria. A supervisory agency like the NEB, keeping its eye firmly on commercial objectives, has its attractions.

Sensitive

No doubt government departments are capable of playing a supervisory role, as they do, with mixed success, in relation to the nationalised industries. No doubt, too, it is irritating for the Rolls-Royce management to have to argue their case, once to the NEB and then again to the Department of Industry. Because the sums of money involved are so large, and because of the political impact of, say, cutting off the supply of funds to Rolls-Royce, Ministers and civil servants cannot surrender decision - making power to the National Enterprise Board. But it is precisely the political sensitivity of Rolls-Royce which makes the argument for a monitoring agency outside the government machine all the stronger. If Ministers want to over-ride commercial criteria, that is a separate decision which should be separately justified and announced.

Tight controls

The fact of the matter is that Sir Keith Joseph has given in to strenuous lobbying by the present chairman of Rolls-Royce, who has never disguised his contempt for the NEB—a feeling shared by a good many of the Government's supporters. In giving way Sir Keith has, regrettably, allowed a personality clash to escalate into a bitter public confrontation which has, among other things, soured relations with trade union leaders.

Having done it, Sir Keith has two urgent tasks to perform. One is to explain to the taxpayer how the new arrangements will work. Will the new chairman of Rolls-Royce, Sir Frank McFadzean, be given carte blanche to run the company with minimal intervention from Whitehall? One long-term solution which the Government is believed to favour is bringing Rolls-Royce under the wing of GEC, which would at least ensure the imposition of tight financial controls. But since that is apparently not feasible at the present time, an alternative way of enforcing the same disciplines has to be found.

Secondly, Sir Keith has to come clean about Rolls-Royce's financial position and prospects, its likely demands on the taxpayer and the expected return on the investment. An internal Treasury memorandum which was leaked earlier this year raised doubts about the commercial wisdom of Rolls-Royce's development programme. While one must applaud the company's success in gaining orders for the RB-211 and its derivatives, the post-war history of Britain's aircraft and aero-engine projects does not encourage optimism about the financial consequences of this success.

Disparate

Finally, the status of the NEB has clearly been altered by the outcome of the Rolls-Royce affair. If BL goes back to the Department of Industry — there is no obvious reason why it should be treated differently from Rolls-Royce — the NEB will be left with a disparate collection of investments. Sir Keith Joseph indicated yesterday that its "catalytic investment role" in connection with advanced technology, as well as its regional and small firms roles, would continue. But in its truncated form it is unlikely to attract staff of the highest calibre. Perhaps the Government intends that as the market economy revives it should wither away.

That may be no great tragedy, but it is worth recalling that successive governments have found it necessary to undertake certain interventions of a commercial or industrial nature. These interventions are handled by a commercially-run agency outside the government machine. Instead of chopping and changing after every election, it would be better to stick with one agency, define its powers narrowly and allow it to build and retain the expertise which it needs.

Aegean worries for the West

ARGUMENTS over the Aegean may once have had the same comforting remoteness as tales of Agamemnon setting sail for Troy. But, like it or not, in 13 months' time these arguments will to some extent be an EEC problem—as they are already a major source of anxiety for NATO.

Last month Mr. Constantine Karamanlis, the Greek Prime Minister, used his visit to four Western European capitals to seek help in returning to the military wing of the alliance. Five years ago his government had withdrawn from it, seeing the act as the best alternative to declaring war on Turkey.

Tough line

His appeal was timely in that attitudes, with age, are stiffening in both Athens and Ankara. Since then the government has changed in Turkey. A weakened Mr. Bulent Ecevit has been replaced by a weak Mr. Suleyman Demirel. The latter is hoping to run a minority government which will depend on the support of two small right-wing parties. That both these advocate a tough line towards Greece is an indication of the problems which could arise.

The present borders only date back to the mid-1940s when the Dodecanese islands were stripped from a defeated Italy and given to Greece. Now the Greeks fear that the Turks wish to surround the Greek islands lining Asia Minor with zones of exclusive Turkish economic and political influence so that the islands will fall into the Turks' hands. For their part the Turks worry that Greece is using or might use ownership of the islands in various ways—to treat the Aegean as a "Greek lake."

The arguments involved air, sea and seabed. What makes them irresolvable is the lack of trust between the capitals. What makes them important is the extent to which they have NATO in a log jam and are souring the Greek government's relations with Washington.

Mr. Demirel's own programme reflects the difficulties which he bequeathed his predecessor and has now re-inherited. It contains numerous good intentions, but sets out few policies. On foreign policy in particular he could hardly have said less.

What he does say is hopeful in that he advocates negotiations bu' on the various concrete issues he takes the same firm line as have previous Turkish governments.

Redeployed

Four years have passed since a report prepared for the U.S. military establishment warned that for the foreseeable future Greece and Turkey would perceive each other as their main threat. If anything, matters have gone worse for NATO than they expected.

The burning current question is how to define future military responsibilities in the Aegean. Over the years Greece's de facto responsibilities have grown and Turkey is demanding that this situation be corrected. It is in a position to insist this should be done before Greece is allowed back into the military wing of the alliance. The problem is important for Brussels in that while Mr. Karamanlis is keen to see Greece back in the fold, none of the opposition parties would ever seek to strengthen Greece's links with NATO.

Further, Greek officials' belief that the U.S. is showing partiality to the Turks is leading to the strongest anti-American noises yet heard in the ministries of Athens.

Arguably the Greeks have the letter of the law on their side in a number of these disputes, while the Turks have equity on theirs. Attempts to force the Turks to yield on Cyprus by linking progress on the island with the lifting of an embargo proved counterproductive. To this extent trying to link Western aid to the beleaguered Turkish economy with a settlement of the Aegean dispute is also likely to produce few results. Three years ago Mr. Demirel managed to reach a procedural agreement with the Greeks which led to a reduction of tension. Today no settlement is in sight; both sides need reassurances to prevent domestic pressures from upsetting what is in effect the new powder keg of the Balkans.

SECTARIAN STRIFE AMONG MOSLEMS AND THE ATTACK ON THE GRAND MOSQUE IN MECCA

An Islamic shock for the Kingdom

FOR ISLAM the bloody seizure of the Grand Mosque at Mecca, holiest of all its shrines, is a shattering event: no less so than an armed take-over of St. Peter's in Rome by dissident heretics or a politically motivated gang would be for Christendom. The motives for the outrage and its outcome may not become clear for several days.

But for Saudi Arabia, at least, the event can be said to be the most dramatic since the assassination of King Feisal in 1975—and probably a more serious one. The killing of the monarch by a half-crazed and vengeful nephew might legitimately be regarded as having been an affair of limited import. The circumstances of King Feisal's death in no way affected an orderly succession, indeed they may have helped to ensure it.

The storming of the great square at the heart of the Prophet's birth place is an upheaval wholly unprecedented in magnitude in the annals of the Kingdom founded in 1932.

The crime therefore is likely to shake the confidence of the ruling House of Saud more gravely than the assassination of King Feisal. It comes only a year after the regime's nerves had already been set on edge by the growing turbulence in Iran which led to the Shah's going into exile last January, and the emergence of a fully fledged Islamic theocracy in Iran—but one very different from the Kingdom's.

Already apprehensive about the large expatriate community within its borders, the Saudi Government intensified security in the autumn of 1978 as the time approached for the great Annual pilgrimage to Mecca known as the Hajj.

At the best of times the influx of over 800,000 pilgrims into the Kingdom, apart from the administrative and logistical problems involved, is difficult for a country with an indigenous population believed to be no more than 5m and a resident foreign community of as many as 1.5-2m. A significant minority among the hordes who converge on Mecca by air, sea and road belong to the Shi'ite sect.

The Hajj ended only four weeks ago. Earlier this month it was reported on good authority that a plan by Iranians to disrupt the pilgrimage had been foiled. The natural assumption, therefore, might have been that Shi'ites had been responsible and the siege of the Great Mosque an over-spill from the Iranian revolution.

To an extent that may be true—but only a limited one. Moharrem and the start of a new century is also an emotive occasion for Sunni Moslems. Last night the evidence began to harden that they—and not Shi'ites were responsible. Moreover, the attack is reliably reported to have been carried out by members of the Otaiba tribe from the Saudi heartland of the Najd.

Officially, the insurgents were described as "armed elements outside the Islamic community"—meaning no more than they had placed themselves beyond it by their action. The seizure of the Grand Mosque appears to have been by intensely conservative forces opposed to the Government's programme of modernisation and development rather than the radical — but similarly "reactionary" — ones unleashed by the Ayatollah Khomeini's revolution in Iran. If this is so, they would historically derive their motivation from the fundamentalist Ikwan — or Moslem Brotherhood.

It provided the religious fanaticism and blind courage on the battlefield that enabled King Abdel-Aziz to recapture Riyadh in 1902 and the House of Saud's domain which had been lost in the 19th-century. It was because of their indiscriminate massacres that tha founder of modern Saudi Arabia finally felt forced to eliminate them.

The majority of Saudis, not to menton Moslems all over the world, will have been aghast with horror at the Mecca outrage. For the Royal Family, whose fiefdom the Kingdom effectively is, the implications are far more grave if its own subjects—harking back to a more simplistic Islam and primitive age—were responsible.

Despite the showdown with the Ikwan nearly 60 years ago, tribes like the Otaiba have generally reckoned to be the backbone of the regime's support. For instance, it is one among a select number providing men for the National Guard, the paramilitary force which in the last resort is the armed security for the House of Saud. Assuming that the seizure of the Grand Mosque was by "grass-roots" bedouin traditionalists, the violent protest is a parallel to the Iranian religious revolutionaries' uprising against the Shah.

Until the Ayatollah's rise to undisputed power, Saudi Arabia constituted the only Islamic theocracy in the world. Like his predecessors, King Khaled is the Imam of the country, nominally its spiritual as well as temporal leader in the historic Sunni ways of things. Islamic Shariah law founded largely on literal interpretation of the Koran is the official constitution. In practice, the ruling hiararchy refers all important decisions apart from those relating to foreign policy to the ulema, or religious leaders.

It is not generally appreciated the extent to which the "progressives" in the Saudi regime—like Crown Prince Fahd—have had to take account of deep conservative feeling in pursuing development policies while at the same time satisfying a growing, liberally-minded and often Western-educated middle class. An important example was the introduction of TV in the mid-1960s. A brother of King Feisal's assassin was killed by a policeman in a demonstration against it—vengeance for his death is believed to have been one of the confused motives behind the regicide.

In the wake of the first oil price explosion—from 1974 to 1976 especially, the Kingdom suffered similar stresses and strains as Iran. The Saudi Government saw the warning light and put the brakes on to control development and inflation. If the hypothesis of the Mecca outrage being prompted by obscurantist orthodoxy is true, then one result will be, inevitably, a more cautious approach to spending and the absorption of less revenue. The corollary could well be reinforcing the already strong lobby in favour of conserving oil and not satisfying the needs of tha industrialised West.

Meanwhile, with the Ayatollah Khomeini still dominating Iran, the ruling hierarchy in Saudi Arabla cannot be complacent about its own Shi'ite minority. Concentrated in the Eastern Provinca where the main oil producing fields lie, it is thought by some observers to constitute the majority of the population there.

They make up an important part of the labour force in the petroleum industry. In 1953 and 1956, labour unrest attributed to them was put down with great brutality. The Shiites of Saudi Arabia remain an underprivileged and even suppressed people. They are able to practise their own brand of Islam—but not to the extent of demonstrating during Moharrem when males of the sect publicly flagellate themselves. Many of the Imphis expatriate Yemenis in the Kingdom also belong to the sect.

The danger of a popular explosion in the Eastern Province remains. It is probably one that could be dealt with by the National Guard. Its bedouin levies were believed to be totally reliable in their devotion to the regime and are entrusted with defending the oil installations. Another threat to the established order must come from the uncertainty created by the Mecca affair and the opportunity that it might give to middle-class malcontents, resentful of the Royal House's predominance in running the family fief, particularly in the armed forces, to challenge tha regime.

Richard Johns

In search of a theocracy on earth

IF EVER there was to have been a significant date for the seizure of the Great Mosque in Mecca, the site of the Ka'aba, the holiest shrine in the Islamic world, it was Tuesday morning. First, it marked the opening day of the year 1400 in the Moslem calendar. Second, it occurred at the beginning of the month of Moharrem, when Shi-ites of the unorthodox sect of Islam for ten days mourn the killing in AD 680 of Hussein at the battle of Kerbala, now in Iraq. Hussein was the son of Ali, himself the son-in-law of the Prophet Mohammed, whose line of descendants are regarded by Shi-ites as the legitimate head of the Islamic community, through successive Imams, the twelfth of whom disappeared in the ninth century AD and will reappear as the Messiah.

Religious motivation might by itself provide the reasons for one man, with armed followers, to proclaim himself on this apocalyptic day at the Great Mosque, the Messiah. But, particularly in the atmosphere of the Islamic Republic in Iran under the Shi-ite guidance of Ayatollah Khomeini, the political aspect of Islam as a religion cannot be ignored.

For Islam is not only perhaps a more political religion than any other, it has also been, from the earliest years after the death of the Prophet Mohammed in 632, divided broadly into orthodox Sunnis and unorthodox Shi'ites, the predominant faith of Iran and numerous sub-divisions. These range from the mystic Sufis to the puritanical Wahhabis of Saudi Arabia, and the heterodox and secretive Shi'ite sect of the Alawites in north-west Syria, which have incorporated certain Christian practices. Within each of these sects is reflected the consistent concern of Islamic communities about who should be their secular and spiritual leader. This crisis, personified in Ayatollah Khomeini's role in Iran, is less pronounced in orthodox Sunnism, where political rulers and religious leaders have generally worked more closely together.

Islam's political role stems from the fact that Moslems are ultimately committed to the establishment of a theocracy on earth—in their different ways the objectives of both Ayatollah Khomeini and Colonel Mu'ammar Gadafy of Libya. But in more modern and mundane terms, Islam has derived its peculiar political strength from two main factors.

First, it provides a comprehensive guide to life and behaviour, which even in its more atavistic forms helps ordinary people who have been disoriented by the problems of over-rapid economic development. This was particularly true in Iran, where in August 1974 the Shah decided to double the 1973-78 development plan to $70bn with little regard for tbe effects on his people. This lesson has been noted by Arab leaders from Saudi Arabia to Algeria.

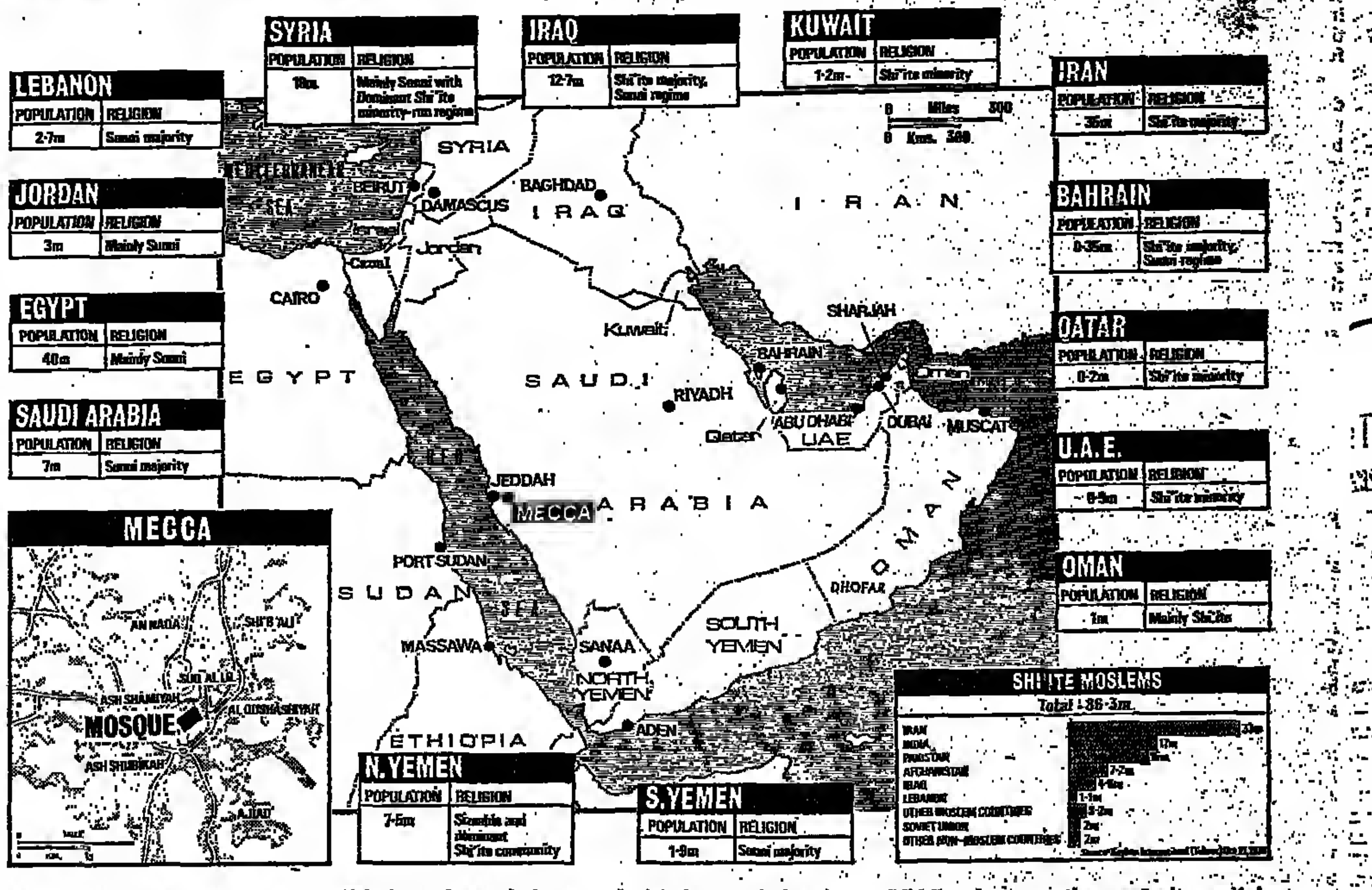
Second, the Friday morning gathering for prayers has become a political forum in many parts of Islam, where such preachers as Sheikh Ghodbani in Tunis or those of the fanatical Moslem Brethren, who appear to have been behind Tuesday's attack, have built up followings which both rival and are beyond the control of local political parties and the armed forces. Indeed, the Moslem Brethren, who were founded in Egypt as a formal organisation in 1928, plotted against Nasser. An attempt to assassinate him in 1954 provided a reason to dismantle their organisation. But it failed, and the Brethren remain in Egypt, and in other parts of the Arab world, a potent force.

There may be a third aspect, too. Since 1973, the enormous wealth from oil, which has brought growing political power, has also brought Moslems, not just in the Middle East but elsewhere in Africa and the Far East, to believe that the Islamic world is to experience again its glories of the Middle Ages, when Islam was the dominant culture.

These traits have been more pronounced in Shi'ism, partly because its followers have tended to be minorities in most countries, and partly because, since the earliest days of Islam, they have represented forces opposed to the accepted government of the day. Thus Shi'ism became the majority religion in Iran under the Safavid dynasty in the 16th-century in order to protect Persian independence against the predominantly Sunni Ottoman Empire.

In the end, Moslem governments are caught between two conflicting attitudes. On the one hand they are proud that Islam is experiencing a world wide resurgence. But on the other, they fear that it can become very swiftly a political force beyond their control.

Anthony McDermott



MEN AND MATTERS

Keeping Shotton hopes burning

Although 6,400 workers at the Shotton steelworks in North Wales have accepted that the best they can hope for is to take their redundancy money and run, one man—and a number of City backers—believe they are wrong.

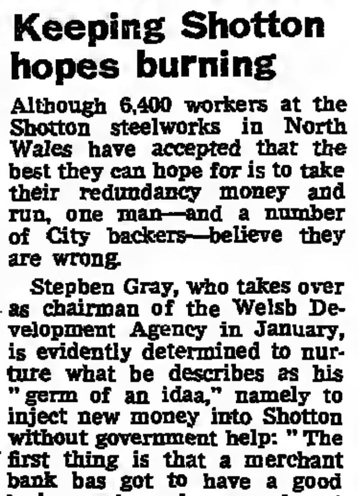
Stephen Gray, who takes over as chairman of the Welsh Development Agency in January, is evidently determined to nurture what he describes as his "germ of an idea," namely to inject new money into Shotton without government help: "The first thing is that a merchant bank has got to have a good look at the scheme and put down some hard numbers. We'll go from there." But he admits that, even if he manages to pull off this—on the face of it improbable—coup, it would not represent a solution to the unemployment problem in Shotton: "At the end of the day slightly more than 1,000 more people would be employed than under the BSC's plans."

An unpublic and elusive figure, Gray has been preparing this scheme during the seven years since he was sacked as managing director of the British Steel Corporation's strip mills division in 1972; be and chairman Sir Monty Finniston fell out over BSC's 10-year investment strategy, and specifically over the fate of Shotton.

"The last thing we should do," according to Gray, "is to spend enormous sums of money trying to develop a Japanese style industry based on a technology that is 15 years old." After his departure from BSC he went into partnership with two former colleagues to establish a steel industry consultancy; until his scheme for Shotton was announced a week ago little more was heard about him.

Essentially his idea is that Shotton's ageing open-hearth furnaces should be replaced by two electric arc units and the plant established as an alternative domestic source of sheet steel, winning back some of the 40 per cent of the market BSC has lost to imports. "We're talking about £200m to £300m a year on the balance of payments. I think it's a scandal," says Gray in unusually intemperate language, perhaps explained by the fact that, as general manager of John Summers and Sons, he controlled Shotton before nationalisation.

He sees no conflict between his machinations in the Square Mile and his return to the public sector: "I don't regard my new job as merely spending public money. It's getting money into Wales." The Welsh Office has, he says, "listened" to his plans for Shotton. Do they approve? "I don't know. I haven't asked them."



"Lord Scanlon just said 'One out—all out.'"

Mixing oil and Flug

An unlikely marriage has just been arranged in Washington. It is between Senator Edward Kennedy, a bedrock of whose presidential candidacy is limitation of the powers of the big oil companies, and Herbert Schmertz, Mobil Oil's chief publicist and perhaps the industry's most effective spokesman.

Known generally as Herb, Schmertz has taken an unpaid leave of absence from Mobil to work as a media and advertising adviser on the Kennedy campaign. The word is that he will not be a member of the campaign brains trust on issues, but will concentrate on his area of expertise—getting the message across. Nobody disputes his competence in this respect. As I mentioned the other day, the "Mobil editorials" which dot the leader pages of American newspapers are very much his handiwork.

Schmertz points out that he is long time intimate of the Kennedy family, working on the campaigns of brothers John and Robert and serving briefly as a labour negotiator in JFK's administration. Even so, a man with his naturally activist inclinations may find some of the arguments Kennedy will use hard to swallow—a key Kennedy adviser on energy is none other than James Flug, former head of Energy Action, a consumer-oriented lobbying group which has bee na consistent thorn in the side of the oil industry.

Points at issue

Not only are Muslims not always 100 par cent sure in which century they live (as revealed here yesterday), neither can they always be certain in which direction to pray. I am informed that disputes sometimes break out and that groups of the faithful have on occasions resorted to a four-way split. The problem is understandable. After all, who among us could point with any assurance to South West by West or Nor' Nor' East?

Now, however, the dilemma is resolved. Three Italian brothers, Nino, Gabrio and Stefano Bini, have invented "Muhammad's Compass" and are apparently doing a roaring trade in Saudi Arabia and points West. Their device consists of four discs within a compass case, each of which contains the settings of 36 major world cities. All you do is select a city, line it up and you have an immediate beam on Mecca. The compasses come in various finishes, from cedar to ivory and gold, and cost from £65 to £2,200. The Bini's next invention sounds much more prosaic but equally valuable: a device for shelling shrimps.

Mole fever

Collins the publishers tell me they have had some discussions about expanding the title of Professor Kenneth Mellanby's book "The Mole" to "The Mole—The Blunt Truth."

Figuring it out

The American banking set has mystified me lately with the word "hunwi." Hunwis, I am told, are the sort of people they would like to meet just now. Eventually I swallowed my pride and asked. "It means 'high net worth individual,'" I was told. Like other institutions, the American banks are anxious to gain the custom of as many hunwis as possible now that exchange controls have disappeared. The precise definition varies, but at least one New York bank considers the minimum qualification is £250,000 available for overseas investments. "Frankly," says a spokesman, "forget the jargon and just take it we're looking for business from the stinking rich."

Cosy but crowded

For reasons lost on me, Uruguay has been advertising—among other statistics—that the "Number of people per bed in hospital" back home is 162.

Observer

ECONOMIC VIEWPOINT

Where the economy goes from here

A FEW DAYS ago I was asked in the friendliest possible way to produce "solutions, not problems" for the British political economy. Unfortunately, not all problems have solutions—which is part of what is meant by calling them political. But ever ready to oblige, I have put in the accompanying table a set of suggestions which would certainly not revolutionise the British economy overnight, but which would help to set things moving in the right direction.

The first half of the list is in the fiscal and monetary field, where people are at least prepared to listen to economic commentators. The second half concerns the far more important problem areas of the labour markets where illogic reigns supreme. All the proposals have been discussed in detail in previous articles. They have in common the fact that they do not require lengthy investigations or negotiations, but could be announced this side of Christmas and, in the financial field, actually implemented. They are also linked by the fuddy-duddy nature of the objections to them.

Thus I have left to one side fundamental measures to tackle labour market monopoly. There is no chance of these for some time to come; and it is a waste of political capital to use it up in a battle with the TUC over the peripheral measures put forward by Mr. Prior.

The most important immediate way of helping employment, however, is to destroy the belief that 20 per cent inflation is here to stay. The trouble is that a switch from direct to indirect taxes, which was worth discussing when the inflation rate appeared to be 8 per cent a year ago, made no sense when that rate was in any case due to rise to 14 or 15 per cent.

Curiously enough, for all their ritual denunciations of Labour, the incoming Conservative Ministers were so mesmerised by Mr. Healey's tough talk, that they did not realise what an inflationary legacy he had left behind. Having, not quite intentionally, reduced the public sector borrowing requirement from £8.5bn in 1976-77 to £5.6bn in 1977-78 without any of the disasters which mainstream economists had predicted, Mr. Healey planned to increase the PSBR in 1978-79 to £8.5bn and actually did increase it to £9.3bn.

Import boom

The counterpart in the real economy was massive labour shortages and an import boom, because domestic producers could not fill the extra demand. This showed up less in the unemployment figures which remained high than in registered unfilled vacancies (a mere fraction of the total) which more than doubled in the three years up to this spring. Consumer spending rose at an annual rate of 6 per cent in 1978 and in the first half of 1979.

At the same time as this domestic overstrain international inflation gathered momentum. The rise in oil prices at least until a couple of months ago was more a consequence than a cause of world inflation.

The big mistake of the incoming Ministers was not to adapt their plans to the change in circumstances. They tried to achieve too many objectives simultaneously and, like the Heath Government in 1970, did not see that they had to make the fight against inflation the number one objective, and that others would have to wait.

But the extraordinary thing was how Ministers allowed the impression to gain hold that the temporary bulge in the price index, resulting from their tax switch, in fact involved a 17½ per cent inflation rate. The figure was first blurted out by Mr. Patrick Jenkin, the Social Services Secretary, in explaining how he rounded the pensions increase. This was meant to be the November peak, but popular pessimism soon projected it indefinitely and rounded it up to 20 per cent.

We will see how successfully today's much disputed official economic forecast can dispel the impression.

There was also the extraordinary way in which the £2½bn projected increase in public spending (before special items and manipulation) between last year and next was allowed to be presented by the spending lobbies as savage cuts in public services. Heartless cuts probably have been made. This is all part of the trick of mobilising opinion on the spending side and making sure that public sector staff rather than services are maintained. Throughout all this the Treasury has honoured its time-honoured motto: better be defeated in a war than be accused of leaks.

As the public expenditure example shows, what went wrong was more than presentation. Despite a target £8.3bn PSBR the rate of public borrowing in the first half of this year has been about £12bn, partly due to strike delays in revenue and partly due to the pattern of fiscal change. Most ironically of all, for all the silly political comments about "savage deflation," money was simply poured into the economy.

Talk about the surprise rise in bank borrowing in the last week of the October banking month simply will not wash.

IMMEDIATE POLICY SUGGESTIONS

- Link MLR automatically to market interest rates
- Set target for public sector borrowing independently of the economic forecasts
- Issue medium term monetary plan
- Publish, publicise and monitor a variety of monetary aggregates
- Issue indexed gilt-edged securities
- Put all gilt-edged issues to competitive auction.
- Abolish Clegg Commission
- All aid to strikers' families to become loans
- Index child benefits and all tax bands
- Tax social security benefits
- Allow tenants to relet council houses at market rents.

The three months up to last September showed that every measure of the money supply, apart from the officially massaged M3, was itself far above the official range of 7 to 11 per cent. The Bank of England's own figures of the rise in acceptance credits by which the banks have avoided the so called corset control showed the same over-run. If everything had previously been under control a single month's bad luck could have been taken by the authorities in their stride.

Those who think that money supply control is a form of metaphysics, or affects inflation only after unemployment has been increasing for millions of years, should look at the housing market. At the beginning of 1978 average house prices were 10½ per cent higher than a year before but have been rising by around 30 per cent per annum in the middle quarters of this year. If a fraction of the political energy expended in keeping the mortgage rate down were devoted to controlling the monetary tap, most of us, including home buyers, would be far better off.

Successful

So, far from monetarism having failed as its many enemies in the City and business world allege, it has not been tried since 1975-77 (when it was tried, was successful and then abandoned). The suggestions in the top part of my table are intended to provide a belated opportunity of trying it again and for a longer period.

The first one, that of tying Minimum Lending Rate to a market interest rate, is an obvious change which would take the "Bank Rate" drama out of this particular indicator and allow it to fall and rise with other interest rates. One could not pretend that the level of rates over a period would be very different; but the overnight rise from 14 to 17 per cent and the crisis Downing Street meetings could be avoided. Indeed, MLR used to be tied to the Treasury Bill rates until the Bank of England dropped the link in the interests of—wait for it—"greater control."

Setting a medium term target for the money supply is of course of more fundamental importance. It could be done next week if Sir Geoffrey Howe would only make the decision and then lock his door. If any Treasury sceptic says that trade union leaders are not influenced by monetary targets this is surely because these leaders have correctly sensed that governments have usually adjusted their monetary policies to wage increases, oil price rises or whatever other disturbances have occurred. They have therefore had no reason to study or believe them.

It is probably convenient to continue setting targets in terms of the accustomed "M3." But unless other measures of money and credit are published, publicised and used as a check, the targets will not carry credibility in the financial community, let alone with Mr. Moss Evans. Even without Charles Goodhart's "law" (to the effect that the measure which is controlled loses its influence) one knew that any single measure used on its own as a control would be avoided by the ingenuity of the markets.

A monetary strategy needs a budgetary policy to go with it.

The most important immediate task is to break the link between the PSBR target and the short-term economic forecast. It is by this link that Ministers who claim to be sceptical of the forecasts are made once more dependent on them. As Dr. Alan Budd of the London Business School has suggested, the best procedure would be to have a target, not a forecast, for the PSBR of £8bn for 1980-1981. This would be based on a 1 per cent growth of output, which has been the trend of the last few years. Recessions do not go on for ever: and even if the actual borrowing were to be higher next year because of a fall in output and revenue, this formula would guarantee an underlying trend towards improvement with the temporary bulge taking place when borrowing from the market is easiest.

Indexing test

But for me, the acid test of the seriousness of the authorities in wanting to bring down the rate of inflation is their willingness to issue indexed linked gilt edged securities. The parrot cry objection is that this would build inflation into the system. But it is the failure to issue them that is embedding inflation. When the Government is borrowing into the 21st century at a nominal interest rate of well over 14½ per cent it cannot afford a big or quick drop in the inflation rate without a prohibitive cost to the taxpayer.

It is worth noting that the widespread conversion of the National Debt to an indexed basis would much reduce the nominal servicing costs of the debt and thus of the PSBR itself. Calculations, such as those in the recent Bank of England paper suggesting a PSBR of only about £4bn on an inflation accounting basis, would be psychologically more convincing if actual payments could be reduced as well. The lenders on the other hand would also have a good bargain if they knew that the redemption value was guaranteed in real terms. The reason why both sides could gain is the same as the reason why normal insurance pays all the parties concerned.

It is breathtaking to hear arguments in favour of the present non-indexed loans based on the assumption that inflation will reduce their real burden. It follows that if a way were found of getting inflation down quickly, the Government would have to forget about it because of the burden this would impose on the taxpayer. One can argue that whether index-linked gilts should be tied to the Retail Price Index or to some index more sensitive to adverse changes in the terms of trade. But, the refusal to consider them altogether — with the technicians saying that this would be a political decision and the politicians being put off by official advice—has been for the past five years the main showpiece of fuddy-duddy influence.

As all too often, discussion of supply side issues has been crowded out of this article. But my reasons for wanting to abolish Clegg will be explained in the Lombard column on Monday. Child benefits are relevant to economic as well as social policy because families on the dole or supplementary benefit have their payments adjusted automatically with inflation; and failure to index the child benefits actually reduces the incentive to seek a job. The cash for this move could easily come from the Department of Industry—which is even less likely to spend its funds well than the National Enterprise Board.

Samuel Brittan

Letters to the Editor

The Treasury forecasts

From Dr. Jeremy Bray, MP.

Sir, — May I comment on the apparent difficulties in the Treasury over the forecasts it is required to publish under the so-called Bray amendment to the Industry Act. Mr. Samuel Brittan is surely right (Lombard, November 19) to call for a more relaxed attitude.

The requirement to publish forecasts was a part of a total package in that amendment, aimed at improving the quality of economic policy making, and de-mythologising the forecast. First it provided for access to the Treasury model. If Conservative Ministers and their advisers had used that access while still in opposition, instead of just voting for it, either their understanding of the economy would have changed, or they would have been better equipped to provide an alternative analysis when they entered office. Others have been using the model, and finding it useful.

To use the model at all, however, it is necessary to provide it with residual adjustments in order to make the model fit recent past data and produce plausible forecasts, and to provide assumptions on many hundreds of external world and policy variables. These adjustments and assumptions can be and are varied by any serious user, but it vastly eases the burden of using the model if a standard set embodied in a standard forecast is available. Also indispensable are sets of "difference tables" showing the effect of shocks to the system, and of changes in policy variables. My clear understanding with the Treasury at the time of the Industry Act was that these standard and variant forecasts would be provided, and I regard it as a breach of that understanding that they were not. The very fragmentary published forecasts are of little value in running the model. The result is that while access to the Treasury model by commercial users has developed, access by universities and research institutes, including access by members of the Treasury's own academic panel, has been made so difficult, that there has been very little university use of the model and serious criticism and research has been gravely handicapped.

At no time did I ask or expect that the Treasury would put its hand on its collective heart and say: "This is the forecast we believe." (Or "This is the forecast we want you to believe we believe.") That would be silly. Clearly the published forecast should not be absurd, but there are many matters on which it is possible for reasonable men to have different views and expectations. There is no reason why on sensitive matters assumed in the forecast a named independent outside expert's view should not be used.

The inevitable uncertainty of the forecast (underlined by the requirement to publish estimated forecast errors) leads on to its proper use in policy making. Here the monetarist debate has reinforced a valuable insight: that what is needed is a policy rule recommending appropriate values of policy variables, which takes into account the uncertainty of the model and the forecasts. The Government is finding, as every government which has tried it has done, that the setting of such rules is not quite so simple in practice against the rude shocks of outrageous fortune as it seems to be in theory.

So the third requirement in the Industry Act was that the Treasury should undertake serious work on such policy design. This was not entirely met by the Ball Committee report on policy optimisation, and still less by the inaction of the previous Government upon it. But the current experience of the Government underlines the necessity of serious work in this difficult field.

A development which could help is that the Social Science Research Council out of its depleted resources has set aside £½m over the next five years for the development of a Centre for Econometric Computing. A steering committee has been appointed under Professor James Mirrlees of Nuffield College, Oxford. Such a centre could act as a focus for Treasury, University and commercial interests in economic policy analysis if the different parties have the imagination and will to collaborate. It clearly offers ways in which some of the Government's problems over handling Industry Act forecasts could be handled. But other parties would be wise not to wait for a Government initiative.

(Dr.) Jeremy Bray.
House of Commons, SW1.

Industrial tribunals

From the Chairman, Equal Opportunities Commission.

Sir,—In his letter of November 16, Mr. Seabright, chairman of MFI Furniture Centres criticises the involvement of the Equal Opportunities Commission in an unsuccessful claim against his company under the Sex Discrimination Act brought by an applicant for a post at a new store. His letter demonstrates a misunderstanding about the Commission's role in this case and generally. The Commission is not required to act as a filter for industrial tribunals and courts and does not presume to do so.

Contrary to Mr. Seabright's understanding, in the case in question the Commission did not advise the complainant to submit a claim under the Sex Discrimination Act, nor did it advise him to proceed with his claim. In accordance with the Commission's statutory duty to eliminate discrimination on the grounds of sex, it advised the complainant on the law, his legal rights and the statutory questionnaire procedure.

For the purposes of judging the Commission's involvement, Mr. Seabright describes what he considers to be the relevant facts, but he can have no complete knowledge of the information given to the Commission by the complainant and a third party. The Commission, for example, was informed of a potential witness to the complainant's allegation and that there had been originally five vacancies for stock controllers. In the circumstances, there could be no possible justification for the Commission informing the complainant, that he had no grounds for his belief that he might have a claim, as Mr. Seabright would seem to infer.

The Commission is concerned that neither complainant nor respondent should be put to unnecessary expense. When, however both parties are firm in their belief in the merits of their own positions and there is no scope for conciliation, then judicial process is the final solution. In this the Commission cannot and will not intervene.

Lockwood,
Overseas House,
Quay Street, Manchester.

The third airport

From Mr. R. Beveridge

Sir,—The letter from Mr. W. Bailey (November 14) is so misleading that I think it only right that you should print some further "facts"—but these anyone can verify by reference to the recently published Ordnance Survey Map—Bristol and Bath —sheet 172.

I believe that the noble Lords (November 6) were not confusing the merits of Severnside as the UK gateway airport. The part of the Severn Estuary being considered is not heavily populated along either the English or Welsh coasts, but both are very industrialised.

On the English coast there are three chemical works, three docks, four fuel depots, wharves, a gas works, two trading estates, a smelting works, a power station and a sewage works.

Along the Welsh shore are four sewage works, a paper mill, the massive Llanwern steel works (about two miles inland), three docks, an aluminium works, a power station, and railway marshalling yards. The railway main line is 1½ miles inland and the M4 motorway just beyond it. The existing and expected industrial development no doubt explain the lack of agriculture and the sparseness of population on these parts of the Severn Estuary coasts.

The Development Corporation for Wales is working very hard to create employment in South Wales (Financial Times article, October 23), but, unfortunately, nearly all of the industries listed above do not require large work forces. An international airport, however, is probably more labour-intensive than any other occupation—and it will attract other industries to the area, many of which will also be labour-intensive. I hope sincerely that Mr. Bailey is usefully and gainfully employed, but I can assure him that there are tens of thousands of people in South Wales who are desperately seeking work and for whom such a venture would seem a Godsend.

The Severn Bridge towers (500 feet high?) are seven miles from where the end of the nearest runway is likely to be. The Llanwern steelworks (300 feet high?) is about five miles to the side of where the nearest runway would be (and sited not on agricultural land, incidentally, but offshore, probably on land reclaimed on the Welsh grounds in the estuary).

The main centres of population—where most of the airport employees would be living—are Cardiff, Newport and Bristol, and it can be seen that each is about seven miles to one side of the projected approach or departure flight paths, and so they would be unlikely to suffer disturbance from aircraft noise.

I agree with the noble Lords that this is a marvellously exciting scheme, and I have no doubt that all who wish to help bring prosperity to this area will, with me, wish it every chance of becoming operational—hopefully within the next four years.

Is there any other location which has more in its favour as the new UK gateway airport—e.g., relatively low cost, operational safety, immediate site availability, construction period of only four years and thereafter virtually unlimited expansibility, most of the required airport workforce already resident in the area with their main centres of population connected by motorway and rail services, a journey time of less than 80 minutes from touch-down to arrival in London, no loss of agricultural land and minimum detriment to the existing environment—than Severnside?

Robert Beveridge.
Little Swanborn,
Haslemere, Surrey.

High interest rates

From Mr. E. Dyke.

Sir, — How is it that high interest rates will decrease the money supply? Surely this attracts money which will ultimately circulate, at high cost to our balance of payments, i.e., interest costs.

Importers can take up this money without undue pain if they are clever with their invoicing and turnover. Home manufacturers will suffer because of the capital burden on their activities. Their only solution will be to raise prices to, logically, create a demand for higher wages all to the joy of the importers yet sad for those who export.

It is argued that if we reduce interest rates money will go elsewhere and the pound will collapse but is this so? As far as savings and profits are concerned investors may be foolish to move these monies abroad because the lower cost of capital will improve the earnings potential of British industry and consequently profits, which are what we seek. Furthermore a return of 5 per cent and no inflation must surely stand ahead of a return of 15 per cent with inflation at 20 per cent.

At a personal level, given a cost of capital at say 5 per cent not 15 per cent, the 10 per cent saving for a man on £100 per week with a £20,000 house and a £5,000 car will be £50 per week. The mind boggles at the cost reductions that could be effected throughout the home economy if at no personal cost we could all take a £50 per week cut in salary.

E. D. Dyke.
19, Approach Road,
Margate, Kent.

Not the 1980s

From Mr. A. Lamb.

Sir,—1980 will shortly be with us, and I should like to point out that it is not the beginning of the 1980s as almost everyone will say.

The reason is as follows: if we start at the beginning of AD, we do not start in year 0 but in year 1, thus by the time we have reached year 10 we have come to the end of the first decade; by the end year 20 AD, we are at the end of the second decade, and so on. By this example it is evident that the end of the first decade AD is not the beginning of the second decade AD. Thus 1980 is the end of the decade which began with 1971 and we shall not be "in the 1980s" until 1981.

Adrian T. Lamb.
44, Portland Road,
Stoneygate, Leicester.

Today's Events

GENERAL

UK: Publication of Treasury's economic short-term forecast.

Sir Geoffrey Howe, Chancellor of the Exchequer, Sir John Greenborough, CBI president, and trades union leaders, are among speakers at City of Westminster Chamber of Commerce annual conference "Prosperity in the 1980s," Café Royal, London.

Sir Keith Joseph, Industry Secretary, speaks at Glass Manufacturers' Federation annual lunch, Dorchester Hotel, London.

Viscomte Etienne Davignon, EEC Commissioner for Industrial Affairs, Viscount Trenchard, Industry Minister, Sir Derek Ezra, NCB chairman, and Sir Richard Marsh, NPA chairman, are among speakers at London Chamber of Commerce conference "An industrial policy for Europe," Portman Hotel, London.

Building Societies' Association Council emergency meeting on MLR.

Speakers at Distinguished Company lunch (in aid of British Foundation for Age Research) includes Princess Michael of Kent, Lord Hill of Luton, and Dame Josephine Barnes, London.

Zimbabwe-Rhodesia constitutional conference continues, Lancaster House, London.

Mr. Tom King, Local Government Minister, speaks at Conservative Party Northern Area Council half yearly meeting, Durham.

Sir Peter Gadsden, Lord Mayor of London, attends Musicians' Benevolent Fund St. Cecilia Festival reception, Mansion House; dines with the Lord Chamberlain and Lady Maclean; attends Diplomatic Corps reception, Buckingham Palace.

Institution of Production Engineers seminar on the education, training and career development of production engineers, London.

Overseas: EEC Social Affairs Council meets in Brussels.

Mr. Andrei Gromyko, Soviet Foreign Minister, visits Bonn.

PARLIAMENTARY BUSINESS

House of Commons: Debate on the EEC Budget.

House of Lords: Insurance Companies Bill, third reading. Milk (Extension of Period of Control of Maximum Prices) Order. Bill of Rights Bill, committee.

OFFICIAL STATISTICS

Central Statistical Office publishes figures for the public sector borrowing requirement and details of local authority borrowing for the third quarter. Department of Industry gives third quarter provisional details of capital expenditure by the manufacturing, distributive and service industries; and manufacturers' and distributors' stocks. Department of the Environment publishes figures for October bricks and cement production. New vehicle registrations for October released by the Department of Transport.

COMPANY MEETINGS

A. Beckman, Westbury Hotel, Conduit Street, W., 12. Capseals, 27 Hill Street, W., 12. City of Aberdeen Land Association, Station Hotel, Guild Street, Aberdeen, 12.30. Epicure, Winchester House, 100 Old Broad Street, EC, 12. A. and J. Mucklow, Chamber of Commerce, Harborne Road, Edgbaston, Birmingham, 10.30.

COMPANY RESULTS

Final dividends: Akroyd and Smithers. Brockhouse. M. J. Gleeson Contractors. Scottish Investment Trust. Interim dividends: Anderson Strathclyde. Beecham Group. CH Industrials. Courtaulds. Exchange Telegraph (Holdings). French Kier Holdings. Maurice James Industries. Milbury. Pauls and Whites. Powell Duffryn. Pyramid Group (Publishers). Redland. Renold. Rothmans International. Wheeler's Restaurants. Interim figures: House of Fraser. Imperial Chemical Industries.

Vote given to Burton's non-family interests

Non-family shareholders in the Burton Group are to be given the vote after several years of struggle. Announcing a 157 per cent increase in profits for the year, Mr. Stanislas Rice, the outgoing chairman, promised that enfranchisement of the "A" ordinary shares would come immediately after the annual meeting in January.

Ordinary shareholders, primarily the Burton family, will, however, be compensated for the abolition of the difference between the two classes. They will receive one new share for every seven they own.

Early in 1977, in response to strong pressure from institutional shareholders, the Burton board promised to enfranchise the "A" shares—which amount to the bulk of the equity.

Mr. Rice, who will be replaced in January as chairman by Mr. Cyril Spencer, says that time has now come as the company "has started to show acceptable returns on assets employed."

Burton profit jumps to £17.5m: payout boost

PROFITS BEFORE tax of the Burton Group leapt from £6.78m to £17.46m in the 53 weeks ended September 1, 1979, and as an indication of their confidence in the future, the directors are increasing the total dividend from 4.5p to 10p with a final of 7p.

First half profits had risen from £4.67m to £9.24m and the directors said then that second half profits should be well above the same period last year.

Turnover for the year improved from £153.3m to £165.2m but the board says comparisons between sales figures are distorted because of the disruption caused by the modernisation programme. Sales in modernised shops increased by an average of about 38 per cent.

The outstanding success during the year was the revival of Burton and Jackson. An improved performance is reported in the group's other activities with a profit being made for the first time for many years in France.

The year's profit is struck after interest of £2.34m against £3.36m.

Tax charge is £1.62m (£464,000) giving earnings per share of 42.68p compared with 16.99p.

Referring to the Dorothy Perkins acquisition, the board says it will contribute to profits in the current year and following implementation of group plans, a progressive performance is expected. Excluding Dorothy Perkins, sales including VAT for the 11 weeks, since September 1, were 19 per cent higher than in the same period last year.

Towards the end of the year the group completed long-term funding arrangements for its customer credit operation. This was the major factor in the reduction of total borrowing in the balance sheet by £8m at the end of the year.

Capital expenditure, mainly in shop modernisation and new shops, has been high at £26m but the board says the group has adequate facilities to carry out investment plans.

Comparisons have been restated to reflect the effects of the merging into trading profits of profits arising on properties sold in the normal course of the group's activities, and profits relating to the disposal of investment properties now being regarded as extraordinary items.

	53 weeks 1978-79 £000	1977-78 £000
Turnover	165,196	153,301
Menswear	80,304	83,030
Womenswear	48,089	38,627
Other retail	22,032	16,821
Overseas retail	13,773	14,843
Trading profit	18,783	10,139
Menswear	9,814	2,913
Womenswear	5,386	4,154
Other retail	832	600
Overseas retail	144	*126
Property income	3,915	2,798
Interest	2,335	[illegible]
Profit before tax	17,456	9,782
Tax	1,618	464
Extraordinary credit	3,424	13,767

* Loss. † Debit.

SSAP 12 has been adopted resulting in an additional charge for depreciation of £700,000 (nil) against the trading profit.

The extraordinary item entirely relates to profit arising on disposal of investment properties. The comparative extraordinary debit results mainly from redundancy costs and the closure of production units and branches.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allied Leather Inds. int.	1.75	Dec. 11	1.51	—	4.19
Barton Transport	16.56	—	14.41	16.56	14.41
Braby Leslie ... int.	2.0	Jan. 11	2.0	—	5.01
Brunning Group ... int.	1.58	Jan. 17	1.51	—	3.82
Burton Group	7	Feb. 15	3.9	10	4.5
Duple Intl.	0.7	Jan. 10	0.33	1.45	0.66
Home Brewery	4.3	—	4	5.6	4.88
Kwik Save	2.2	Jan. 15	1.64	3.3	2.64
London Pru. Trust int.	2.0§	Dec. 21	1.5	—	3.45
Long and Hambly	0.36	Jan. 3	0.29*	0.48	0.4*
Northern Secs. Tst. int.	1	Dec. 19	1	—	4
Scottish Cities	6	Dec. 21	5.5	10	8.75
Stockholders Inv.	2.7‡	Jan. 19	1.35	3.8	2.35
Tesco ... int.	1	March 3	0.79	—	1.98
Wedgwood ... int.	1.75	—	1.75	—	4.18
Yorks. and Lancs. Tst.	1.25	Dec. 20	1.05	1.75	1.55

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes special 0.5p from non-recurring dividends received through ending of restrictions. § Final of 2.25p forecast.

Midway slip hits Long and Hambly

REFLECTING A midway downturn from £325,000 to £280,000 caused by the transport strike and severe winter weather, taxable profits of Long and Hambly, rubber and plastic moulder, slipped to £703,226 in the year to July 31, 1979 against £801,949.

Turnover for the year increased from £13.65m to £15.43m. There is a higher tax charge this time of £39,672 (£24,709).

A final dividend of 0.375p is announced, making the total 0.482p against an equivalent 0.40125p.

Stated earnings per 10p share are down from 3.8p to 3.5p.

HIGHLIGHTS

After a brief look at prospects for today's gilt-edged issue, Lex assesses the day's big retailing results. Tesco's half-time figures reveal a jump in profits from £13.8m to £17.1m and margins have been maintained but the group is moving into a net borrowing position for the first time. Kwik-Save's figures also come in for scrutiny. Burton Group has continued its rapid recovery, with profits more than doubled, and the long-awaited enfranchisement of its non-voting shares has been proposed. The group is optimistic about the current year. Finally Lex considers the half-time results from Wedgwood. On the inside pages there are comments on the nine-months' figures from Tricentrol and half-timers from Duple and Braby Leslie.

Braby Leslie picking up after £0.6m fall

FOLLOWING THE warning at the annual general meeting that first half 1979-80 profits would be down, Mr. J. S. Chandler, chairman of Braby Leslie reports a drop from £1.04m to £0.44m in the pre-tax figure for the six months ended September 30. This setback was caused by problems at three subsidiaries combined with the engineers' strike.

The dislocation caused by the strike has continued but provided there is no further disruption in the rest of the year, the chairman expects trading conditions to improve significantly during the second half.

An unchanged interim of 2.0p is declared and tha directors hope to maintain the total at 5.009p. Last year'a dividend was paid from profits of £2.09m.

Mr. Chandler explains that demand at Auto Diesels' was hit hy closure of important overseas markets and the strength of sterling and made only a modest profit. Orders have improved considerahly but full recovery to recent profit levels cannot he achieved until overseas markets became more stable.

At S. Briggs and Company, hrewing equipment maker, sctivity continued at a low level and, as expected a loss was made. Incoming orders improved, although at lower margins hut the engineers' strike frustrated management efforts.

Similar conditions bit Braby Bristol (siln tanks and container maker) which also showed a loss. The chairman says that an improved order book could not be attacked as production lost through the strike amounted to 50 per cent.

Group turnover of this mechanical and civil engineering group was lower at £14.55m against £15.09m in the half year. After tax of £159,000 (£430,000) net profit was £281,000 (£611,000), and earnings per share are stated at 2.8p (6.0p).

The chairman says that the group halance sheet continues to be strong and the resources and borrowing facilities available are adequate to meet present and estimated future requirements.

● comment

Braby Leslie bears the dubious distinction of being one of the most serious victims of the engineering dispute to date. The fact that over 70 per cent of the labour force of its manufacturing subsidiaries was involved has contributed to a 58 per cent drop in pre-tax profits. Other difficulties, such as the problematic nature of markets in Iran and Nigeria, the strength of sterling, squeezed margins and a loss of just under £300,000 between two subsidiaries (Briggs and Braby Bristol) also explain the earnings decline. It is not a pretty picture and analysts now expect the year end performance to slip back to 1976 levels; a profit of about £1.3m is forecast, against £2m. With a forecast maintained dividend this year, the yield, however, is not bad at 13 per cent at 57p. The p/e could be a prospective 8.9 on a full tax charge.

Belhaven may adjourn AGM

The annual meeting of Belhaven Brewery is likely to be put back a fortnight. Mr. Ronald Aitken, the new chairman, is to propose at the meeting on Friday that it be adjourned to December 7.

No reason has been given for the postponement. Mr. Aitken only took over the chairmanship last weekend following a series of boardroom rows which have resulted in the resignations of no fewer than three chairmen this year.

This led to the appointment of a sub committee of institutional shareholders and an intimation that James Gulliver Associates might he interested in acquiring a stake.

Tesco ahead midway but cautious on prospects

Mr. Leslie Porter
Tesco chairman.

FOR THE *24* weeks ended August 11, 1979, pre-tax profits of Tesco Stores (Holdings) rose from £13.8m to £17.04m, hut the directors say it is not possible to make a forecast for the second half year.

However, it is expected that the group's current budgeted profit levels are likely to be achieved, they add.

Turnover for the 24 weeks rose from £529.91m to £669.97m, including VAT of £23.13m against £13.65m.

The board is very satisfied with the current trading performance and with the volume growth that has been maintained. However, the current uncertainty in tha retail sector is noted, following tha increase in VAT and also the exceptionally high rates being levied on borrowings.

The interim dividend is being raised from 0.7888p to 1p—last years total was 1.9827p from pre-tax profits of £37.64m.

Based nn A. G. B. figures, the group's dry grocery market share has increased progressively and is currently in excess of 14 per cent. Substantial volume gains have also been made in the sale of meat, fruit and vegetables and within the bakery division.

Based on current forecasts it is considered than nn corporation tax liability is likely for the *full year.* No provision has, therefore, been made in the period.

Profit inclndes a £340,000 loss from the 3 Guys operation in Ireland, and is after interest of £336,000 (£531,000). The 3 Guys loss was due to difficult trading conditions and high interest rates on short-term borrowings.

The Operation Checkont policy has been fully maintained and is more than justified by the progressive increase in both market share and net profit*ability.*

By the end of the current financial year the group will have opened in excess of 400,000 sq. ft. of additional selling area. Due to external industrial disputes, *six* stores scheduled to open before the year-end will now not commence trading until spring 1980.

Twenty new stores and three major extensions will add some 650,000 sq. ft. of new selling area in 1980-81. Expansion plans heyond that date include about 30 additional stores, comprising 1m sq. ft. of new *selling area.*

During tha period the store ratinnalisation programme has continued with a further 32 small stores being closed.

See Lex

Kwik Save advances by 23%

TAXABLE PROFITS of Kwik Save Discount Group rose 23 per cent from £9.92m to £12.19m in the year to September 1, 1979, on sales 37 per cent ahead at £264.22m against £192.89m.

And the directors say that, although it is too early to forecast results, sales to date in the current year abow an encouraging trend.

Tha surplus this time inclndes concessionaire rentals boosted from £1.48m to £2.17m hy rent reviews and income from Cee-N-Cee Supermarkets, acquired in September 1978. There is an increase in receivable interest from £206,000 to £242,000.

Tax takes £4.7m (£4.6m) and there is an extraordinary debit of £813,000 (nil) relating to the write off of goodwill arising on the acquisition of Cee-N-Cee.

The dividend is lifted 25 per cent, from 2.6398p to 3.3p, with a 2.2p final. Earnings per 10p share are stated to bave risen from 8.12p to *11.26p.*

The directors of the discount grocery stores group say that, despite the additional costs of reorganisation, the Cee-N-Cee chain mada a small contrihution to profits.

Completion of the sale and lease back of tha group's Swindon warehouse, announced at the intarim stage, will show a substantial profit, they add. Tha group's fifth warehouse, at Newport, Gwent, was opened on schedule in September, 1979.

	(52 wks.) 1973 £000	(53 wks.) [illegible] £000
Sales	264,217	192,830
Trading profit	9,773	8,2[illegible]
Concessionaire rentals	2,171	1,477
Interest receivable	242	206
Profit before tax	12,186	9,915
Tax	4,697	4,604
Extraordinary debit	813	—
Dividends	2,197	1,753
Retained	4,479	3,559

See Lex

Progress at Allied Leather

FOLLOWING last year's record surplus of £1.59m, midway taxable profits of Allied Leather Industries rose to £592,104 against £466,015. Turnover for the six months to June 30, 1979 improved from £8.11m to £10.12m.

The midway surplus last time includes £37,128 investment income—this time there is none.

The interim dividend is raised to 1.75p (1.5075p)—last year's total was 4.187p.

After higher tax of £306,000 (£230,000) there is an extraordinary credit of £40,456 (£162,893), being the net profit realised on disposal of properties

REPORTS AND ACCOUNTS IN BRIEF

PETERS STORES—Results for 53 weeks ended June 30, 1979, reported October 22. Group fixed £4.88m (£2.5m). Current assets £3.06m (£1.84m). Current liabilities £2.02m (£1.26m). Meeting, Newcastle-upon-Tyne, December 20 at noon.

MAXIM'S (restaurateur) — Turnover for first half of 1979 £1.1m (£1.03m). Pre-tax profit £13,565 (£14,598). French tax £6,782 (£7,299). As in previous years, board will consider declaring dividend in light of full-year results.

R. P. MARTIN (foreign exchange, currency broker)—Results for year ended June 30, 1979, already known. Group fixed assets £235,767 (£229,314). Net current assets £853,950 (£606,137). Meeting, Great Eastern Hotel, EC, December 7, at 11.30 am.

C. H. PEARCE AND SONS (builder and contractor)—Results for year to May 31, 1979, and prospects, reported October 18. Group fixed assets £1.2m (£0.94m), net current assets £3.48m (£2.62m). Short-term deposits, bank balances and cash fell by £1.3m (£0.53m). Meeting, Stoke Gifford, Bristol, December 12, at 12.30 pm.

NORTH ATLANTIC SECURITIES CORPORATION—Results for the year to September 30, 1979, already reported. Value of investments listed in UK £13.43m (£14.34m). Listed abroad £7.94m (£11.09m). Unlisted £2.25m (£1.84m). Meeting, Bucklersbury House, EC, on December 12, at 2.45 pm.

ALLIED LONDON PROPERTIES—Results for year ended June 30, 1979, already reported. Fixed assets £5.07m (£4.81m). Net current assets £2.84m (£3.06m). Meeting, The Inn on the Park, W, December 11, at noon.

GRANT BROTHERS (department stores)—Interim dividend, 1.52p (same—total 3.882p) for year ended January 31, 1980. Turnover for half-year to July 28, 1979, £4.24m (£3.83m). Net loss £3,717 (£1,758). Earnings per share, 1.62p (0.58p).

SAFEGUARD INDUSTRIAL INVESTMENTS—Results for the year to September 30, 1979, reported November 8. Investments listed in UK (at market value) £11.02m (£10.48m). Unlisted (at valuation) £2.09m (£1.63m). Meeting, 87, Eaton Place, SW, on December 11 at noon.

SPAIN

November 21	Price %	+ or −
Asland	102	
Banco Bilbao	200	
Banco Central	204	
Banco Exterior	210	
Banco Hispano	200	
Banco Ind. Cat.	137	
Banco Madrid	158	−2
Banco Santander	203	
Banco Urquijo	204	−1
Banco Vizcaya	202	−2
Banco Zaragoza	200	
Dragados	100	
Espanola Zinc	80	
Fecsa	58.7	−0.8
Gal. Preciados	37	
Hidrola	65.5	+0.5
Iberduero	60.2	−0.3
Petroleos	115.5	−5.0
Petroliber	76	
Sogefisa	122	
Telefonica	59.5	−0.5
Union Elect.	64.2	−0.2

BRAZIL

November 20	Price Cruz	+ or −
Acesita	1.30	−0.25
Banco Brasil	2.40	−0.07
Banco Itau	1.43	
Belgo. Min.	2.20	−0.04
Lojas Amer.	2.38	−0.07
Petrobras PP	1.65	−0.03
Pirelli	1.47	−0.05
Souza Cruz	3.21	−0.13
Unip PE	5.40	−0.15
Vale Rio Doce	2.78	−0.13

Turnover: Cr 237.5m. Volume: 162.4m.
Source: Rio de Janeiro SE.

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Wedgwood reaches £2.6m as profit trend improves

AFTER A depressed start to the current year Wedgwood has recovered some lost ground in the second quarter. After heavier interest of £964,000, against £365,000, profits of this china and earthenware maker come out 31.5 per cent lower at £2.61m for the 26 weeks ended September 29, 1979.

Operating profit in the second quarter improved from £2.38m to £2.64m on a 15 per cent sales gain to £24.3m. Sales in the half year came through 9 per cent higher at £43.88m and operating profit reached £3 58m, compared with £4.18m.

Sir Arthur Bryan, chairman, states that little has changed since be last reported at the end of August and al lthe adverse conditions then affecting exports continue. However, be is hopeful that the improving trend of results will continue into the third quarter.

After tax and extraordinary items of £261,000 (£956,000), the half year's attributable balance emerges at £1.56m (£1.72m), and earnings per 25p share are stated to be down from 7.2p to 4.9p.

The interim dividend is maintained at 1.75p net—the total for 1978-79 was 4.176p paid from profits of £8.55m.

The results include the operations of the new Californian subsidiary, Franciscan Ceramics, from July 17. In that short period sales were £2m and the contribution to profits, as anticipated, was not material.

The group balance sheet at September 29 compared with March 31 shows an increase in net current assets from £18.94m to £20.05m. Stocks and debtors were up from £47.92m to £54.52m and overdrafts have risen from £13.04m to £17.59m.

	26 weeks 1979	1978
	£000	£000
External sales	43,875	40,134
Operating profit	3,577	4,178
Interest	964	365
Profit before tax	2,613	3,813
Tax	797	1,134
Net profit	1,816	2,679
Extraordinary debits†	261	956
Attributable	1,555	1,723
Dividends	658	658
Retained	897	1,065

† Adjustments in the value of net assets and borrowings overseas due to fluctuation in exchange rates. Exchange losses on trading have been charged against the operating profit.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Anderson Strathclyde, Beecham, C. H. Industrials, Century Oils, Courtaulds, Alfred Dunhill, Exchange Telegraph, Ferguson Industrial, French Kier, Maurice James, Milbury, Paula and Whites, Powell Duffryn, Pyramid Group (Publishers), Redland, Renold, Rothmans International, Triplex Foundries, Wheeler's Restaurants.

Finals: Akroyd and Smithers, Brockhouse, M. J. Gleeson Contractors, Scottish Investment Trust.

FUTURE DATES

Interims—
Anglo American Corporation ... Dec. 4
Beraford (S. and W.) ... Jan. 17
Sangers ... Nov. 30
South Crofty ... Dec. 10
Sumrie Clothes ... Nov. 23
Watson (R. Kelvin) ... Nov. 27

Finals—
Archimedes Investment Trust ... Dec. 11
Berisford (S. and W.) ... Jan. 17
Carr (John) ... Nov. 27
Elson and Robbins ... Dec. 12
Howard and Wyndham ... Nov. 23
Peak Investments ... Nov. 27
Sanger (J. E.) ... Nov. 26
Stag Line ... Nov. 23

Growth for New Throgmorton

Gross revenue of the New Throgmorton Trust improved from £599,165 to £851,967 in the six months ended September 30, 1979, and pre-tax revenue was higher at £552,619 against £506,893 in the same period last year.

Tax takes £171,947 (£171,256) giving earnings per share of 0.973p against 0.855p.

An interim dividend of 0.9p has already been declared and the directors say that as matters stand, they do not expect that the total for the year will be reduced below the 1.625p paid in 1978-79.

In line with stated policy, reliance on inter-company interest has been further reduced. In spite of increased loans following the tender in January, 1979, gross revenue for the period includes inter-company interest marginally increased to £34,687. This compares with £29,295 for the corresponding six months.

The Companies Bill, which incorporates mandatory EEC legislation and which is in its Committee stage, contains provisions relating to the payment of dividends. The directors say that as presently drafted these provisions could, in the future and under certain circumstances, inhibit the ability of the company to distribute its revenue.

Representations have been made (both through the Association of Investment Trust Companies and also direct to the Department of Trade) with a view to obtaining amendments to the Bill.

Stockholders Trust boosts distribution

The net total dividend of Stockholders Investment Trust is being stepped up from 2.35p to 3.8p for the year to October 31, 1979. The final is raised by 0.55p to 1.9p, and there is a special payment of 0.8p from non-recurring dividends received through the ending of restrictions.

Total income expanded from £2.43m to £3.39m. Available revenue came through higher at £1.72m (£1.11m), after expenses and interest £520,324 (£495,024), tax £995,316 (£681,873), and minorities £150,672 (£140,431).

Earnings per 25p share are given as 4.24p (2.74p), including the special dividend. Net asset value is 127p (128.6p) per share, taking prior charges at par.

Investments at valuation totalled £58.67m (£62.4m).

Scottish Cities

Scottish Cities Investment Trust is stepping up its dividend total from 8.5p to 10p for the year ended September 30, 1979, with a final of 6p.

Revenue rose from £457,373 to £535,282, subject to tax of £183,983 (£149,793).

Earnings per 25p share are stated at 10.4p (9.1p).

First-half decline to £0.36m at Brunning

AFTER HIGHER interest of £98,916 against £36,019, pre-tax profits of Brunning Group fell from £404,758 to £363,130 in the six months to September 30, 1979.

Mr. Geoffrey Brunning, chairman, says that profits would have been higher but for the TV strike which affected advertising results, the spring petrol shortage which led to a fall in demand for caravans and boats, and the strength of sterling.

Current forecasts indicate that profits will be maintained at a reasonable level although advertising profits for October were affected by the TV strike. For the last full year profits totalled £768,000.

First-half turnover showed an advance from £13.61m to £16.91m and tax for the period took £188,830 compared with £210,474. The net interim dividend is 1.575p (1.5075p). Last year's final payment was 2.345p.

Vehicle sales lift Barton Transport

After an increased surplus on sales of vehicles of £190,160, against £119,174, pre-tax profits of Barton Transport rose from £91,449 to £121,443 in the year to September 29, 1979.

At the operating level, losses of the passenger road transport concern deepened to £88,927 (£48,398).

The directors say it has been another difficult year. And again matters beyond the board's control—including the bad winter—played a major role in producing a most disappointing result, they add.

At the interim stage, there were losses of £100,632 (£107,363), but the directors said then that the results could not be taken as an indication of the full-year outcome.

Turnover for the period rose from £5.02m to £5.61m. After tax of £38,039 (£39,358), net profit came through ahead from £52,091 to £83,404.

The net dividend is raised from 14.4136p to 16.5648p per 160p deferred share. Stated earnings are up from 9.24p to 15.5p.

British Car Auction sees big increase

A CONSIDERABLE improvement in current year's profits is forecast by Mr. David Wickens, chairman of British Car Auction Group.

He reports that the motor auction business has settled down and there is every reason to believe that profitability will again march ahead.

Readygas, Coin Machine Sales and McAlisters Caravan Sales are showing signs of increased profitability and he sees this trend continuing. The two loss making subsidiaries have been dealt with, says Mr. Wickens.

As reported November 6 group profit, before tax, improved from £1.68m to £1.74m in the year ended July 31, 1979. The first three months of the year were record ones for the motor enctions with profits 25 per cent ahead of the previous year. However, the bad winter and the fuel crisis hit trading badly and for four months profit was much reduced when it should bsve been at record level.

An analysis of the profit shows:— auctions and associated activities £1.39m, gas and gas cylinder suppliers £0.31m, antique dealers and furniture makers £160,000 loss, coin operated equipment hirers £219,000, mobile home suppliers and park operators £139,000, and catering £165,000 loss.

Referring to Northover Antiques and the outside catering division of Keymer Caterers, the chairman says thet the losses which they incurred have beeo fully provided for in the eccounts. The letter division proved to be incompetible with normal trading pattern and wholly accounted for the losses by that company. This division was sold in July.

Northover Antiques has been run down and the remaining stock is in the course of being sold.

A property revaluation has produced a surplus of £4.5m, part of which was used to eliminate goodwill of £725,000. Total value of group freehold properties was over £11m.

Meeting Farnham, Surrey, Decemher 14 et noon.

J. Hewitt scrip plan

J. Hewitt and Son (Fenton), which makes industrial and domestic refractories, is proposing e scrip issue of new ordinary shares and the subsequent consolidation of the new and existing shares.

If implemented, the proposals, which will be put to an extraordinary meeting on December 20, will result in shareholders becoming entitled to the same number of ordinary shares of 25p each as the number of ordinary 5p shares already held.

In addition, a scrip issue of new 10 per cent cumulative preference shares of £1 each is proposed, on the basis of one new 10 per cent preference for every 10 ordinary of 5p held. Proposals will also be put to convert the existing 35,000 5.25 per cent preference into one class with the new 10 per cent preference and for the adoption of new articles of association.

Barratt Developments sees buoyant first half

At the annual meeting of Barratt Developments, Mr. L. A. Barratt, the chairman, confidently expected that the group's first half of the current year would produce a further substantial increase in turnover and profit.

The group's cash resources were more than adequate and Mr. Barratt said there were no plans to issue equity by way of a rights issue nor was the need seen to do so in the foreseeable future.

The group accepted the increase in MLR as inevitable and would absorb the costs without any real damaging effect, the chairman said. The group would reimburse every purchaser for any increased net cost of a mortgage repayment over the existing 11¾ per cent interest rate, for the first 12 months of the mortgage, said Mr. Barratt.

Last year the group built and sold 10,000 houses and was programmed for 11,500 houses this year. After the first four months' trading, the projected growth was being achieved and there was a record 3,500 honses sold forward.

After reviewing the shareholders' discount scheme, the directors had decided that the discount on the purchase of the group's houses would amount to £500 for each £25,000 or part thereof of sales value.

A shareholder who bought a property priced at £80,000 for example would be eotitled to a discount of £2,000. To make the scheme more equitable, any iostitutional or corporate shareholder would now be able to nominate any number of its employees or for e pension fund, its members, to participate in the scheme.

Mr. Barratt noted that over 70 per cent of the group's shares were held by institutions, some of which owned in excess of 1m shares.

The minimum requirements of 1,000 shares held for one year continued and the right to the discount could be exercised by each participant once in any 12-month period.

Hawker Siddeley

Hawker Siddeley is forming e new company, Hawker Siddeley Power Plant, from January 1, 1980. This results from the merger of two Hawker Siddeley subsidiaries—R. A. Lister Power Plant, of Thrupp, Gloucestershire, and Petter Power Generation, of Hamble, Southampton.

The new company, which will offer a range of diesel generating sets up to 500kva, will be based at Thrupp.

NORTHERN SECURITIES

Income of Northern Securities Trust fell from £111,731 to £98,483 in the six months to September 30, 1979, before tax of £32,417, against £39,339.

The net interim dividend is maintained at 1p. Last year's total was 4p, paid from profits of £345,535.

BIDS AND DEALS

GEI Intl. placing 3m shares with pension funds

GEI International is to place 2.96m shares with Equity Capital for Industry and the National Coal Board pension funds at 674p as a way of replenishing its cash resources following the acquisition of Sanderson Kayser.

The offer for Sanderson Kayser, now accepted by 96 per cent of shareholders, absorbed £1.6m of GEI's cash, to small an amount, the Board believes, to merit a rights issue.

Instead a total of 8.76 per cent of GEI's capital (as enlarged by Sanderson Kayser acquisition and the placing) is to be placed equally with ECI and the funds. The proceeds will amount to £2m.

Shareholders' approval is needed for the deal and a special meeting is to be held on December 10. Lazard Brothers, acting for the board, recommends the placing as in the best interests of the company.

GKN OFFSHOOT SOLD FOR £0.5M

Heritable Industrial Holdings, a subsidiary of the Heritable and General Investment Bank, and a group of institutional investors have acquired the GKN subsidiary Godwin Warren Engineering for about £500,000.

Godwin Warren is based in Bristol and designs and manufactures traffic control equipment and railway and mining safety buffers.

WILLS SELLS IN N.E. TASMANIA

Amatil's wholly owned subsidiary W. D. and H. O. Wills (Australia) has exchanged contracts for the sale of Rushy Lagoon, its remaining rural property in north eastern Tasmania, to the Cascade Brewery Company. Amatil is a subsidiary of BATs.

FTI ACQUIRES MECASONIC

As part of its policy of expansion in the field of industrial ultrasonics, Forward Technology Industries, through its Dutch subsidiary, KLN (Europa) BV, is to acquire 64 per cent of Mecasonic SA, of France, and its wholly owned subsidiary, Mecadeco SARL.

Initially, KLN will subscribe FF 1.2m (£133,000) for 566 shares of FR 400 each in Mecasonic, representing 34 per cent of its enlarged share capital.

At the same time KLN will acquire from certain existing shareholders 495 shares of FF 400, representing 30 per cent of the capital, for FF 1.8m (£200,000) cash.

The remaining 36 per cent of Mecasonic will be acquired by KLN from Mr. J. P. Scotto in 1986, at a price calculated as to half the net tangible asset value of Mecasonic at June 30 1986, plus four times the average of the best three years profits, after tax, in the preceding five years.

Mecasonic and its subsidiary are engaged in the design, manufacture and marketing of ultrasonic welding equipment, and its products are complementary with those of KLN-Ultraschall-GmbH —98 per cent owned by FTI—with which it has a long term distribution agreement.

Net tangible assets of Mecasonic as at November 30 1978 amounted to FF 1.91m (£212,000) and profits, before tax, for the year ended on that date, came to FF 687,000 (£76,000).

Management accounts indicate that pre-tax profits for the year ending November 30 1979 will be about FF 1.2m (£133,000).

CARCLO HOLDS 94% OF ENGLISH CARD

The offer by Carclo Engineering Group for the ordinary share capital of English Card Clothing Company has been extended until further notice. So far acceptances have been received in respect of 3.97m shares which, together with the 1.41m already owned by Carclo on September 7, represents 94.1 per cent of English Card.

The numbers of shares referred to do not take into account the recent scrip issue by English Card.

Carclo's offer for the preference capital of English Card has become unconditional with acceptances on 91.3 per cent.

LCA U.S. PURCHASE

LCA, supplier of advertising material to hotels, has bought for a nominal sum the trading assets of the New York-based Lobby Displays Corporation.

The American company services hotel showcase advertising facilities in much the same way as LCA operates in the UK and Europe. It also has access to display advertising sites, in a number of America's major sports arenas and airports.

E. J. RILEY BUYS SNOOKER INTEREST

E. J. Riley, the billiard table and furniture company, is to acquire a snooker operating company with two clubs in London and one in Reading for £390,000.

It has agreed to buy Chapoint from Mr. N. Miller-Cheevers, its chairman and managing director, and Askalon, which is based in the Isle of Man. Riley will pay with 750,000 of its 10p ordinary shares at a price of 52p each.

This values the company at £390,000. The agreement is conditional upon the listing of the consideration shares.

Mr. Miller-Cheevers is to be appointed to the Riley board upon completion.

The net asset value of Chapoint at July 31 was £86,634. Net profit before tax for the seven months to that date was £44,227.

SHARE STAKES

Godfrey Davis — Rothschild Investment Trust has increased its holding to 4.09m shares (27.04 per cent) by the purchase of 100,000 shares.

Westbrick Products — Royal London Mutual Insurance Society is the beneficial owner of 250,833 Ordinary and its staff pension fund holds 50,000 representing a combined 7 02 per cent of the equity.

Saatchi and Saatchi Co.—Throgmorton Trust purchased 17,500 Ordinary shares increasing holding to 284,999 (5.05 per cent).

Manchester and Metropolitan Investment Trust—Mr. B. S. Sheppard is interested in 100,000 shares (25 per cent).

Ingall Industries — Control Securities has purchased a further 15,000 Shares bringing total holding to 499,500 (9.33 per cent).

Merchant Trust—Pearl Assurance Company has purchased an additional 1,100,000 Ordinary, bringing holding to 3,578,333 (7.04 per cent).

West of England Trust—Britannia Arrow Holdings—is interested in 1,525,000 Ordinary (9.5 per cent).

Mountleigh Group (formerly Leigh Mills)— Mr. E. Hall, chairman and joint managing director, has disposed of 1m ordinary shares (25 per cent), reducing his holding to 542,803 plus 3,700 held as trustee and 1,625 preference shares (14 per cent).

Fulcrum Investment Trust—Jove Investment Trust has disposed of 500,000 Capital shares and is now interested in 500,000 Capital shares (4.16 per cent).

East Lancashire Paper Group —Greenbrook Securities now holds 590,000 Ordinary (10.82 per cent).

North British Properties—Sun Life Assurance Society has acquired 300,000 Ordinary, making holding 3,095,000 (23.88 per cent).

Arbuthnot Latham—Birmingham and Midland Counties Trust holds 1,025,000 Ordinary (14.21 per cent).

More O'Ferrall—Mr. E. R. More O'Ferrall has disposed of 80,000 Ordinary shares, reducing his holding to 1,609,876 shares (26.182 per cent). Lady Elizabeth More O'Ferrall has disposed of 20,000 Ordinary shares, reducing her holding to 343,450 shares (5.585 per cent).

LAPORTE

Kuwait Investment Office has accepted provisional allotment of 600,000 Laporte Industries (Holdings) shares, making a total interest of 3m shares (5.18 per cent).

BOC/MEDIADA

BOC International is to acquire the 50 per cent of Mediada AB, a medical equipment company, which it does not already own. It is to purchase the stake from AB Fortia of Sweden, the group with which it has jointly owned Mediada.

The acquisition terms have not been disclosed but the deal is scheduled to be completed by December 31.

Mediada trades as part of the Medishield Corporation, BOC's international health care subsidiary. Its product range includes anaesthesia and analgesia equipment, medical gas mixing devices and booms and pendants for medical gas supplies. Mediada's head office is based in Gothenburg, Sweden, and there is a factory in Stockholm.

BELGRAVE (BLACKHEATH) — Turnover for six months to July 31, 1979, £1,470,126 (£1,774,760). Loss £1,749 (£19,022 profit) before tax £2,001 (£8,145). Chairman says reasonable hope of continuing recovery.

Mc. No. 20

Hall Bros. stake holder 'not selling'

Temple Investment and Finance has outlined its plans for Hall Brothers Steamship, the loss-making company for which it has bid £365,000, but one of the major shareholders continues to resist the terms.

"We're not selling," said Mr. Ben Slade, a joint owner of Shirlstar Container Transport, which has a stake of around 13 per cent in Hall. Having already described the bid as too low—it paid up to 140p for some of its own Hall shares—Shirlstar intends to stay as a minority holder in the reconstructed company, which Temple will use as a vehicle to invest in mining and natural resource stocks.

Hall Brothers, meanwhile, has disclosed in the annual report that losses before tax and extraordinary items soared from £154,000 to £284,000 in the year to August 31, with turnover down from £859,000 to £574,000. Because of the prolonged slump in the shipping sector, Hall has sold off its ships and was planning to go into liquidation before Temple's offer.

Almost 54 per cent of Hall's shareholders, including directors, have said they will accept the bid which comprises 70p cash for the ordinary and "A" ordinary shares and £1 for the preference stock.

If Shirlstar does decide to stay put and refuse the Temple offer, which is being made through the English Association of American Bond and Share Holders, the Companies Act lays down that it cannot be bought out compulsorily.

Temple, controlled from Guernsey by Mr. Alan Ferguson and his wife, said in the formal document that if it gains Hall Brothers it may take advantage of the chance to buy 200,000 shares of Rand London Corporation, a South African listed mining and investment concern, for around £141,000 at 69p a share.

In the document, Mr. Christopher Spence, a director of the English Association, said Temple would be looking both in and outside the UK for investment opportunities, using Hall's cash.

Hall's balance sheet shows short-term deposits of £450,000 and net assets of £402,000, although this excludes the agreed £30,000 compensation claim by Hall's management partnership pending the bid's outcome.

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	April Vol.	April Last	July Vol.	July Last	Stock
ABN C	F.330	—	—	—	—	8	13.50	F.327.50
ABN C	F.340	2	1.50	2	5	—	—	"
ABN C	F.350	1	0.20	—	—	6	3	"
ABN C	F.370	1	0.10	—	—	—	—	"
AKZ C	F.25	5	2.50	82	3	2	4.30	F.26.30
AKZ C	F.27.50	64	1.10	86	2	23	2.40	"
AKZ C	F.30	127	0.30	80	1	10	1.30	"
AKZ C	F.32.50	70	0.10	—	—	—	—	"
AKZ P	F.25	20	0.70	—	—	—	—	"
AKZ P	F.27.50	17	1.40	1	8	1	2	"
AKZ P	F.30	5	4	—	—	—	—	"
AKZ P	F.32.50	1	5.50	—	—	—	—	"
ARB C	F.65	—	—	5	5	—	—	F.67.50
ARB C	F.70	—	—	—	—	3	2.60	"
ARB C	F75	11	0.20	—	—	—	—	"
BQ C	F.220	7	7	—	—	—	—	F.221
EK C	$50	e	1¼	—	—	—	—	$48⅛
HO C	F.25	2	1.60	—	—	11	2.80	F.25.60
HO C	F.30	—	—	20	0.40	—	—	"
IBM C	$55	15	1½	60	3⅞	10	5	$61⅛
IBM C	$70	—	—	5	1¼	—	—	"
KLM C	F.70	33	6.50	—	—	—	—	F.74
KLM C	F.80	39	1.70	—	—	—	—	"
KLM C	F.90	—	—	—	—	8	2.40	"
KLM C	F.110	5	0.10	—	—	—	—	"
KLM P	F.70	14	2.10	—	—	—	—	"
KLM P	F.80	28	7.50	2	7.40	—	—	"
NN C	F.110	1	5.70	—	—	—	—	F.114.20
NN C	F.115	—	—	1	8.40	—	—	"
NN C	F.180	1	1.80	—	—	1	5	"
NN C	F.125	—	—	6	2.80	—	—	"
PET C	Fr.5500	5	290	—	—	—	—	Fr.5570
PHI C	F.22.50	10	0.70	6	1.30	86	1.60	F.21.80
PHI C	F.25	—	—	—	—	30	0.70	"
PHI P	F.25	—	—	2	3.30	—	—	"
PRD C	$30	10	¼	—	—	—	—	$25⅛
PSA C	F.260	—	—	5	12	—	—	F.254
RD C	F140	7	14	—	—	—	—	F.151.80
RD C	F.145	20	0.50	—	—	—	—	"
RD C	F.150	217	5.50	12	8.70	—	—	"
RD C	F.160	587	1.00	228	4.50	123	5.70	"
RD P	F.135	100	0.30	—	—	—	—	"
RD P	F.140	12	0.70	2	1.30	—	—	"
RD P	F.145	368	2.40	03	8.90	—	—	"
RD P	F.150	368	4.30	30	5.50	—	—	"
RD P	F.160	57	0.80	10	10	—	—	"
UNI C	F.115	3	3	—	—	—	—	F.114.10
UNI C	F.120	1	1.20	—	—	—	—	"
XON C	$80	2	8¼	—	—	—	—	$57⅝
XRX C	$60	5	8⅛	—	—	—	—	$58½
		Feb.		May		Aug.		
BA C	$40	2	5⅝	—	—	—	—	$45⅜
BA C	$50	—	—	20	2⅝	—	—	"
OXY C	$25	17	3⅝	—	—	—	—	$27½
SLB C	$90	1	7½	7	11	—	—	$92⅝
SLB C	$100	1	5	5	5	5	7	"
		Dec.		March		June		
CM C	$50	8	1⅝	88	3⅛	—	—	$49½
TOTAL VOLUME IN CONTRACTS						3148		

C=Call P=Put

Canals 'have bright future'

Canal and waterways interests should join together to promote British boating holidays overseas, Sir Frank Price, chairman of the British Water ways Board, says in the latest issue of British Travel News, the British Tourist Authority's quarterly magazine.

Sir Frank predicts a bright future for canals and inland waterways: "We will bless the day that someone built the canals. It gives us an outlet that we would not have had, and could never afford today."

New chief for Welsh agency

THE NEW chairman of the Welsh Development Agency is Mr. Stephen Gray, 53, a former British Steel Corporation executive, now working as a private consultant. He will take up the position on January 1.

Mr. Gray last week revealed he was in close contact with merchant banks prepared to help save the Shotton steel works in North Wales from closure. Mr. Gray succeeds Sir David Davies, who has been chairman of the WDA since 1976

MINING NEWS

Australia's MIM stays highly optimistic

WHILE A fair amount of uncertainty surrounds the near term course of metal prices, Australia's MIM Holdings regards this as "a time of great optimism and opportunity." In his annual statement the chairman, Sir James Foots, reckons that metal prices will fluctuate around a higher real level in the future because of the expected increase in world production costs.

Matching deeds to the words, the group is to spend A$50m (£25.3m) over the next three years for a 30 per cent expansion in lead, zinc and silver production. This is in addition to the A$10.8m already spent on plant modernisation, and the increased production level is scheduled to come into being in MIM's 1982-83 year.

But mining and metallurgical problems have been encountered at the new Hilton silver-lead-zinc mine which will have to be solved before any major mining programme is contemplated at this property. Accordingly, a A$15m trial mining project is to be carried out but it will take until 1984-85 before the actual trial stoping stage is reached.

Of the group's other new ventures, the 40 per cent-owned Agnew nickel mine in Western Australia—the remaining 60 per cent is held by the London Selection Trust group's new Selcast Holdings—is now achieving a positive cash flow.

Diversification into coal is well under way and the programme at the big Collinsville deposits, aimed at the export coking coal market, is well advanced. As far as steaming coal is concerned, a growing world market for this product has enhanced the prospects for early development of the Newlands-Eastern Creek deposit to the south of Collinsville.

At Collinsville and Newlands, MIM has reserves of 120m tonnes of coking coal and over 300m tonnes of steaming coal. Rights to more than 900m tonnes of open-cut steaming coal are held at the Wandoan and Rolleston districts while more than 480m tonnes of soft coking coal have been outlined in the Hunter Valley of New South Wales.

Meanwhile, MIM has recently signed heads of agreement with Houston Oil and Minerals in which MIM is to acquire a 40 per cent stake in the Oaky Creek coking coal project in Queensland. This is being developed to produce 2.25m tonnes e year of high grade metallurgical coal and has important export potential.

On the exploration side, MIM with Consolidated Gold Fields Australia, has outlined a large toonage of gold-bearing rock at the Porgera prospect in Papua New Guioea. Also in that territory MIM and its Japanese partners bave proved a buge tonnage of low-grade copper and gold at the Frieda prospect and are negotiating with two prospective partners in this long-term venture.

Uraniom also comes into the picture with the stake in the Honeymoon deposit in South Australia which is reckoned to contain some 2,400 tonnes of uranium oxide. Meanwbile, other exploration continues for base-metals and oil.

For those with faith in the future of base-metals and energy minerals — and who hasn't? — MIM Holdings is a stock to be bought on a dull day and beld for the long term. It has the political advantage of being recognised as "Australian"—the fact that America's Asarco owns almost half the company is never stressed Down-Under—and it also bas the psychological advantage of being liked by the well-breeched Australian institutions who have never forgotten that as "The Isa," it was once e copper share that once stood grandly on a dividend yield of under 2 per cent and still served its shareholders well in the days when other copper issues went begging at far higher returns. These days it pays better for its keep with a yield of over 5 per cent and a further dividend increase seems on the cards for the current year to next June.

FALCONBRIDGE

Caoada's Falconbridge Nickel Mines is to pay a dividend of C$1 (39p) per share on its class "A" and "B" shares on December 28.

The company, which has no set rate, paid C$1 on the shares in September and in June of this year. The June payment was the first since 1977.

Poseidon to reconstruct

Australia's Poseidon, the one-time "Windarra Wonder" which soared on the wings of e nickel find and subsequently dropped to earth only to rise again on the strength of its Western Australian gold interests, says that it will soon embark on e capital reconstruction.

Professor Eric Rudd, the chairman, told an Adelaide meeting yesterday that there will first be an offer to buy out those shareholders with "less than marketable" parcels of shares. He did not qualify the size of these shareholdings, but said that more than half Poseidon's 22,000 shareholders held such parcels.

The chairman added that Poseidon will pay no dividends until the reconstruction has taken place despite the fact that income from the company's gold interests — notably the 47 per cent stake in Kalgoorlie Lake View — have greatly enhanced its financial position.

Chile asks the mining groups to come back

CHILE NEEDS an annual investment of $380m (£160m) for the next 20 years to double its copper and molybdenum production by the end of the century. This is far outside the national economic capability and international financing is necessary.

This plea to major international mining groups to return to Chile was made yesterday by Mr. Alexander Sutulov, executive director of the Mining and Metallurgical Research Centre in Santiago.

In a paper prepared for the national symposium on the availability of strategic minerals, organised by the Institution of Mining and Metallurgy in London, Mr. Sutulov in effect said that if industrial nations wanted Chile's copper and molybdenum they would have to finance the development.

His remarks reflect a general industry assumption that world copper consumption will at least double by the year 2000. They come against a background of reviving North American interest in Chilean deposits following the nationalisation of mines at the end of the last decade and the beginning of the 1970s.

In recent years, Exxon, St. Joe Minerals, Falconbridge, Noranda and Anaconda have committed themselves either to make or consider a total investment of around $3.47bn in Chilean copper and molybdenum.

In an effort to allay any lingering doubts about the stability of the investment climate in Chile, Mr. Sutulov said that investment laws promulgated since 1974 have put the foreign and national investors in the same position.

"All that the foreign investor is expected to do, the same as the national one, is to fairly pay his taxes and to obey national laws," he said.

The Government favours private undertakings in all new production activities, while trying itself to concentrate attention on social areas, he added.

IMC SEEKS NEW POTASH UNIT

International Minerals and Chemicals, the Illinois-based group which has the biggest private sector potash bnsiness in Saskatchewan, is looking for expansion opportunities preferably in a joint venture with the provincial Government, reports John Soganich from Toronto.

The search follows the creation of what Mr. R. A. Lemon, the chairman, called an "improved operating environment."

This is a reference to the five-year tax accord the company has reached with the provincial Government. "We are confident that our differences have been settled. We still have e high tax rate bnt we can live with it," said Mr. Lemon.

The provincial Government has been anxious to spread its influence in the ootash business. Its of Saskatchewan has achieved a major position in the industry by the take-over of interests belonging to Hndson Bay Mining and Smelting, Duval Corporation, Alwinsal Potash, Amax Potash and U.S. Borax and Chemical.

The advantage of a joint venture to IMC seems clear in view of the costs involved; Mr. Lemon said the most economic unit of expansion would cost C$300m.

IMC, whose potash operations are working at capacity in the face of a market growing at 5 per cent e year, favours Saskatchewan for expansion. "While there are some deposits not being worked in tha U.S., and some target locations elsewhere in the world, the biggest and the best are in Saskatchewan," Mr. Lemon said.

Stockpile urged by industry

A LIST should be drawn up of UK imported minerals most vulnerable to supply disruptions and a short-term national stockpile should be established on the basis of this list, leading figures in the mining and metals industry decided yesterday.

The list could be drawn up on the French pattern which firades imported minerals in four categories of vulnerability—very great, great, medium and weak. The French have decided that silver, platinum, diamonds, phosphate, zirconium, titanium, cobalt and vanadium are the minerals of very great vulnerability.

Although a UK list would not necessarily be the same, the industry would aim to include in the stockpile only the minerals considered to be of very great vulnerability.

This recommendation emerged from two days of discussions at a national symposium in London on the availability of strategic minerals organised by the Institution of Mining and Metallurgy.

The stockpile issue has been the subject of some European debate in recent years especially since the disruption to supplies and prices of cobalt from Zaire last year. Both France and Germany have taken steps to set up limited stockpiles to tide industry over any period when the train of supplies is initerrupted.

Against a background of the possibility of more general mineral shortages in the 1980s, as a result of e slowdown in investment over recent years, the symposium also recommended that the Government should help both the domestic and overseas activities of mining companies.

At home the Government is being urged to support increased mineral exploration by resolving the confusioin over mineral rights—possibly by taking them over itself—and ease planning problems by implementing the recommendations of the Stevens Commission.

On a financial level, the industry is asking the Government to restructure the capital allowances within the taxation system.

A consensus that the Government should aid overseas exploration and mine development in unstable countries through the development of more effective insurance schemes and better guarantees also came out of the symposium.

The recommendations generally tie in with work that has been done in the Government by officials. They would serve as the basis for a national minerals policy. *But so far* there has been little indication that Mrs. Thatcher's Government, anxious to reduce state intervention in industry, is any more than sympathetic.

OIL AND GAS NEWS

India increases domestic output

INDIA'S Oil and Natural Gas Commission, the government-owned corporation whose offshore exploration and drilling operations are based in Bombay, is doubling its target of crude production from oilfields in the Western Continental shelf so as to obtain at least 18m tonnes by 1985, reports K. K. Sharma from Bombay.

The Commission will be plannings its drilling operations to ettain this target mainly in the Bombay High Structure and in North Bassein, both oilfields that are already in prodnction with an annual output presently at around 5m tonnes.

It will now tap the newly found Ratnagiri oilfield, about 60km southwest of Bombay, which is to be developed to yield 3m tonnes e year. Plans for the purchase or hire of additional drill-ships and for the establishment of oil platforms are now being drawn up.

The Commission's plans have been changed following the market rise in the price of imported crude. Originally, it had been decided to conserve the substantial reserves in the Western Continental shelf for use when supplies from the Middle East became difficult and expensiva. This situation has been reached much earlier than thought.

The change in plans has been approved by the Government which is now facing a major problem in finding edequate supplies from Middle East sources despite good political relations with countries there. It is also providing funds for additional prodnction from offshore fields and for further exploration all along the coast.

Part of the funds needed will be generated by the Commission itself although its representatives complain that it does not get edequate prices from its crude since these are fixed by the Government on the basis of a formula which makes offshore and onshore crude much cheaper for Indian refineries than imported crude.

However, the additional investment for production and investment is expected to improve the Commission's profitability especially as the bulk of funds for capital development will be found by the Government.

* * *

The first onshore discovery of natural gas in the Australian State of Victoria has been made by Beach Petroleum.

The company reports a gas flow estimated et 7m cubic feet per day from its North Paarratte No. 1 well near Port Campbell.

Gas was encountered in the Otway Basin et a depth of about 5,000 feet. Beach says that drilling is continuing to see if the flow is likely to have any commercial value.

Meanwhile, the Federal Government has given the go-ahead for participants in the North-West Shelf off development project, off Australia, to seek buyers for natural gas.

Mr. Douglas Anthony, Minister for Trade and Resources, said exports should be permitted at a rate of 6.5m tonnes a year for a 20-year period, beginning in July, 1986.

The figure is reported to represent 53 per cent of known North West Shelf gas reserves. The other 47 per cent would be for Australian use.

Tricentrol doubled to £13.9m at nine months

DOUBLED PROFITS for the nine months to September 30, 1979, are reported by Tricentrol, the international resource exploration and production group. The taxable surplus soared from £6.93m to £13.91m, on turnover £31.73m higher at £142.52m.

Profits continued to be depressed by the strength of sterling against the dollar, the directors say, though not to the same extent as at the half-year, when profits were £7.22m (£4.34m).

The recent increases in crude oil prices resulted in a greater deferred PRT provision, and net profits rose from £5.19m to £7.35m.

Advantage was taken of the relaxations in exchange control to replace the U.S.$12m facility with the Royal Bank of Canada by a £5.5m sterling facility. The resulting exchange gain is included in the £0.65m exceptional credits.

The loan drawn under this facility has since been repaid, while the facility has been retained.

In August, the group negotiated with the Government to buy out the Government Special Royalty on the Thistle Field for a consideration likely to total £20m.

The first £17.5m was paid at the end of that month, of which £8.5m was satisfied by a share issue. The £9m paid in cash has been drawn down from the Third Thistle Credit Facility under arrangements recently completed with the lending banks. The remaining cost, estimated at £2.5m, will be paid during 1980.

The Thistle Field produced 20.97m barrels of oil in the nine months, the group's share being 2.02m barrels which gave a pre-tax profit of £8.49m. During the second quarter, Tricentrol Oil Trading—a wholly-owned subsidiary—started to trade in third party-owned crude oil. These operations resulted in a pre-tax profit of £134,000.

The first appraisal well (211/18a-19) to investigate the area 6 reservoir has been completed. A second (211/18-20) was spudded on the west side of area 6 in October and indications are that the area will not make a material contribution to reserves.

Negotiations with BNOC regarding the joint operating agreement for sixth round block 208/23 are nearly completed and, once Department of Energy approval is given, the licence award should be confirmed. A UK seventh round of licensing is expected shortly.

In Canada, oil production averaged 1,826 barrels of oil per day, a 16 per cent increase. Gas production averaged 7.39m cubic feet per day, down 8 per cent. Both variations primarily result from changes in demand and do not reflect changes in production capacity, the directors say.

During the period, the group participated in 40 drilling projects in Canada which resulted in 20 gas wells, 14 oil wells and six wells abandoned. Eleven new projects have been initiated.

Natural gas production in the U.S. averaged 18.6m cubic feet per day, a 20 per cent increase. Oil production averaged 297 bopd, a 9 per cent fall.

The increased gas production results mainly from successful development drilling in the Tiger Ridge and Bullhook areas of Montana. The reduced oil production is primarily due to the decline of the Sumatra oil fields in Montana, which it is hoped will be checked.

The group participated in 35 wells during the period resulting in eight gas wells, five oil wells and 22 dry holes.

In the UK automotive division, demand for cars declined but the commercial vehicle market remained buoyant. Travel group coach companies' revenues were healthy but cost pressures squeezed margins.

Tricentrol Builders Merchants had satisfactory profits despite serious shortages—since eased—of gas-fired boilers and copper tube.

During the third quarter the reorganisation plans for the group's businesses in the Netherlands and Belgium moved to the implementation phase.

In Australia, sales in local currency rose 26 per cent, but this was achieved by increasing regional representation and at the initial expense of profits, which have been reduced.

Satisfactory trading was achieved in Canada, and performance is now in line with forecasts.

	Nine months 1979 £000	1978 £000
Turnover	142,523	110,795
UK oil and gas	20,772	8,531
Canadian oil and gas	3,588	3,411
U.S. oil and gas	3,571	2,152
UK automotive	79,638	63,226
UK trading	27,509	23,709
European trading	5,663	6,519
Australia	394	355
Canada	1,408	1,892
Trading profit	13,648	7,645
UK oil and gas	8,620	3,600
Canadian oil and gas	851	978
U.S. oil and gas	1,849	739
UK automotive	2,614	2,050
UK trading	416	626
Europe loss	764	324
Australia	34	47
Canada	24	†71
Research expenditure	47	182
Central costs	627	396
Interest payable	540	303
Interest receivable	912	254
Operating profit	13,344	7,018
Exceptional credit	561	10?
Profit before tax	13,906	6,928
Deferred tax	6,551	1,737
Net profit	7,354	5,183
Dividend	1,507	329
Retentions	5,847	4,860

† Loss.

● **comment**

The rise in third-quarter profits from Tricentrol derives mainly from higher North Sea oil and gas production and the rise in oil prices. When the tax-free gain from replacing the Canadian loan is stripped out, the post-tax profit for the third quarter is £2.7m. This figure should be comfortably exceeded in the final three months, since the costs of reorganising the Dutch trading division were written-off in the third quarter and there is likely to be higher prices for Thistle oil. This could produce a full-year post-tax profit of about £10.5m. The share price rose 4p yesterday to 262p, for a p/e of 12.5 which should drop rapidly over the next 12 months as output from Thistle doubles.

Duple dividend lifted to 1.45p

THE SECOND-HALF improvement in pre-tax profits forecast by Duple International turns out to be from £1.99m to £2.25m, taking the figure for the year to August 31, 1979, ahead from £3.08m to £3.7m. And a final dividend of 0.7p raises the total dividend from 0.663p to 1.4472p net.

Turnover for the 12 months advanced from £20.22m to £22.2m and profit was struck after interest received of £130,000 (£37,000 paid).

Tax took £1.22m against £1.45m giving earnings per 5p share of 6.05p (3.96p).

● **comment**

Duple's one-third profits rise in the first half has been followed by much slower growth in the second six months. While the final outcome was close to market estimates, the reason for the slowdown was not, as had been expected, attributable to rising costs of materials. This had only a marginal effect, a factor greatly overshadowed by a disappointing engineering performance, due mainly to stagnant demand for textile machinery in the U.S. However, this was more than offset by bumper profits from the important coachbuilding activities, although the current level of orders suggests that the rate of growth in this division will be difficult to maintain. There is clearly plenty of scope for recovery in the U.S. but Duple is tempering confidence with caution. Much of the predicted increase in profits for the current year might have to come from acquisitions, for which there is plenty of spare cash. The big jump in the dividend payment gives a yield of almost 9 per cent while the p/e on stated earnings is 3.9, at 24p, up 1p.

GOVETT EUROPEAN

Following their consideration of the future of Govett European Trust, the directors have decided to recommend that the company should be unitised.

McKechnie Brothers outlook

In his annual statement as chairman of McKechnie Brothers, Mr. C. C. Taylor says he finds it difficult to believe that ground lost during the UK engineering strike will be made up later in the current year, especially as most forecasts for the economy predict difficult trading conditions in 1980.

However, South African profits should continue to improve and associates in Australasia are also budgeting for a better year. Drawing attention to the group's broad-based product range and wide geographical spread, Mr. Taylor is confident that it will put up as good a performance as external circumstances allow.

As reported on October 26, pre-tax profits for the year to July 31, 1979, rose from £12.66m to £15.12m.

A statement of source and application of funds shows a net decrease in liquid funds of £2.66m (£4.51m). At July 31, Kuwait Investment Office held 5.5 per cent of the company and Prudential Assurance Company 7.04 per cent. Meeting, Birmingham, on December 13 at noon.

MERCURY SEC.

Profits of Mercury Securities for the whole of 1978-79 were £14.86m and not £2.29m, as given in yesterday's report.

Home Brewery forecasts 25% rise and pays 5.5p

AN INCREASE in trading profits from £3.68m to £4.61m is reported by the Home Brewery Company for the year to September 30, 1979.

Other income has produced £976,000 (£654,000) and there is a surplus on disposal of assets of £87,000 (£339,000). Tax takes £2.77m against £2.3m, and tax adjustments for previous years give a credit of £132,000 (nil).

Dividend for the 12 months is lifted from 4.675p to 5.5p with a 4.6p final.

As well as the production and sale of beer, mineral water, wines and spirits, the company owns and manages licensed houses, hotels and off licences.

LWT has to cut spending

A further substantial increase in expenditure on programmes was planned by LWT (Holdings) for the current year, but owing to the recent industrial dispute, this will now of necessity be curtailed, Mr. John Freeman, chairman, says in his annual report.

The total cost of LWT's own programmes transmitted over the last three years has increased from £17m in 1977 to £23m in 1978 and £30m this year, the chairman says.

On technical facilities, the chairman says the policy is to introduce new technology—including electronic news gathering—and other automated equipment in consultation with those who will operate it.

Approval for expenditure on capital equipment during 1978-79 amounted to over £2.5m and substantially more than that had been approved for the current year. The implementation of these plans must now be spread over a longer period than the board wished, the chairman says.

Referring to Hutchinson, the group's publishing operation, the chairman sees no reason why it should not make a satisfactory contribution to the all-round strength of the group in the current year.

The acquisition of Page and Moy (Holdings) completes the planned programme of diversification outside broadcasting for the foreseeable future. "The group is now as financially secure and soundly based as planning can make it," says Mr. Freeman.

As already reported, pre-tax profits for the year ended July 29, 1979, rose from £6.51m to £6.92m after Exchequer levy of £7.25m against £6.93m.

Holders of more than 5 per cent of the group's capital include Orion Bank for the Daily Telegraph, 11.01 per cent ITC Pension Trust, 11.77 per cent; News International, 11.77 per cent; Strand Nominees for Observer Partners, 11 per cent; and Pearl Assurance, 11.77 per cent.

London Shop cuts borrowings

A DRASTIC reduction in short-term borrowings coupled with increased rental income resulting from reviews and renewals should lead to substantially higher profits for London Shop Property Trust in the next few years.

In his review for the year to April 30, 1979, retiring chairman Sir Cyril Black says the sale of a major property shortly after the year-end for about £3.5m net will benefit the group's pre-tax income by upwards of £250,000 in the current period.

Other property sales currently being negotiated should produce more than £2m cash. Although the full impact of these sales will be felt in the year ending April 30, 1981, there should be considerable benefit in the current year, and the board is confident that the group has now entered a period of steady progress.

As reported, the group's pre-tax profits recovered to £651,762 against £652,834 after a midway decline from £254,750 to £168,750.

Seascope falls by £544,000

A PRE-TAX profit shortfall of £544,000 to £1.27m is reported by Seascope Holdings for the year ended May 31, 1979.

Trading income for the 12 months amounted to £4.72m (£4.35m) and tax took £397,000 (£257,000).

Expenses from the preference share issue totalled £59,489 and there were minority losses this time of £19 (£167,032 profit).

Earnings per share, after crediting deferred tax release, are given at 35p (63p) and before such release at 23p (35p). The final dividend is 4p net, maintaining the year's total at 12p.

Comparative figures have been restated for deferred tax. The directors say it is hard to anticipate an improvement in profits for current year. However, the company has a sound base from existing business and new contracts from which to build future growth provided the board succeeds in containing rising costs.

BASE LENDING RATES

A.B.N. Bank 17 %	■ Hambros Bank 17 %
Allied Irish Bank 17 %	■ Hill Samuel §17 %
Amro Bank 17 %	C. Hoare & Co. †17 %
American Express Bk. 17 %	Julian S. Hodge 18 %
A P Bank Ltd. 17 %	Hongkong & Shanghai 17 %
Henry Ansbacher 17 %	Industrial Bk. of Scot. 17½%
■ Arbuthnot Latham 17 %	Keyser Ullmann 17 %
Associates Cap. Corp. 17 %	Knowsley & Co. Ltd. 19½%
Banco de Bilbao 17 %	Lloyds Bank 17 %
Bank of Credit & Cmce. 17 %	London Mercantile 17 %
Bank of Cyprus 17 %	Edward Manson & Co. 18 %
Bank of N.S.W. 17 %	Midland Bank 17 %
Banque Belge Ltd. 17 %	■ Samuel Montagu 17 %
Banque du Rhone et de la Tamise S.A. 17½%	■ Morgan Grenfell 17 %
Barclays Bank 17 %	National Westminster 17 %
Bremar Holdings Ltd. 18 %	Norwich General Trust 17 %
Brit. Bank of Mid. East 17 %	P. S. Refson & Co. 17 %
■ Brown Shipley 17 %	Rossminster 17 %
Canada Perm't Trust 17 %	Ryl. Bk. Canada (Ldn.) 17 %
Cayzer Ltd. 17 %	Schlesinger Limited 17 %
Cedar Holdings 17 %	E. S. Schwab 17 %
■ Charterhouse Japhet 17 %	Security Trust Co. Ltd. 18 %
Choulartons 17 %	Shenley Trust 19 %
C. E. Coates 17 %	Standard Chartered 17 %
Consolidated Credits 17 %	Trade Dev. Bank 17 %
Co-operative Bank *17 %	Trustee Savings Bank 17 %
Corinthian Secs. 17 %	Twentieth Century Bk. 18 %
The Cyprus Popular Bk. 17 %	United Bank of Kuwait 17 %
Duncan Lawrie 17 %	Whiteaway Laidlaw 17½%
Eagil Trust 17 %	Williams & Glyn's 17 %
E. T. Trust Limited 17 %	Yorkshire Bank 17 %
First Nat. Fin. Corp. 18½%	
First Nat. Secs. Ltd. 18½%	
Robert Fraser 18 %	
■ Antony Gibbs 17 %	
Greyhound Guaranty 17 %	
Grindlays Bank ‡17 %	
■ Guinness Mahon 17 %	

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15½%, and over £25,000 15¾%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

Yorks. and Lancs. Trust paying 1.75p

The total dividend of Yorkshire and Lancashire Investment Trust is being lifted 12.9 per cent, from 1.55p to 1.75p net, for the year to September 30, 1979, with a final of 1.25p.

Gross revenue, less bank interest, improved from £115,010 to £128,106. After all charges including tax of £36,160 (£34,619), net revenue came through higher at £73,570, against £66,234.

Earnings per 25p share are shown to have risen from 1.66p to 1.84p. Net asset value is given as 37.2p (35.2p).

Dividends absorb £70,000 (£62,000).

NORTH AMERICAN NEWS

Kaiser Steel and NKK break off talks

BY DAVID LASCELLES IN NEW YORK

KAISER STEEL and Nippon Kokan (NKK) announced yesterday that they had terminated their talks on the possible acquisition by NKK of some of Kaiser's assets. They gave no specific reason, but would only say that they were "unable to identify a mutually satisfactory arrangement."

Had the deal gone through, it would have marked the largest Japanese investment yet in the U.S. steel industry. It would also have given NKK, Japan's second largest steelmaker, a way round U.S. trading restrictions on steel which were introduced largely to combat cheap imports.

As for Kaiser, the deal could have brought it a welcome injection of funds at a time when it is in some financial difficulty. The company has reported 13 quarterly losses in a row, and had already been selling some of its assets to keep its head above water, including its $64m stake in Hamersley Holdings.

Kaiser would not elaborate yesterday on why the talks had broken down. On Wall Street there was speculation that a broad range of reasons could have contributed, including which of Kaiser's assets should be sold and at what price, and a recent increase in the trigger price which is designed to protect the U.S. steel industry against cheap imports.

The two companies did say, though, that they would continue the close relationship between their two managements. Members of the Kaiser family have a long-standing friendship with top executives of NKK. And NKK already owns 4 per cent of Kaiser Resources Ltd., Kaiser's related Canadian company.

The break-off did not, however, come as a major surprise in Wall Street. Kaiser's shares, which stood around $40 before the well-off talks were announced, shot up to $56 shortly afterwards. But as the talks dragged on, they gradually lost these gains and closed on Tuesday night at $35.50. After yesterday's news of the break-off they were suspended.

Restatement of earnings by Heinz

PITTSBURGH—H. J. Heinz's previously reported net income for the first nine months of fiscal 1979 has been reduced by $8.4m by a restatement to reflect the findings of a previously announced audit committee's inquiry.

Total net income for its fiscal 1971 to 1978 years were increased by the same amount after the restatement.

The committee's inquiry disclosed improper practices in certain subsidiaries and divisions relating to vendor payments and credits, as well as treatment and accruals, resulting in the transfer of income between fiscal periods.

The inquiry is nearing completion and the financial statements for fiscal 1979 have been filed with an unqualified auditors opinion with the Securities and Exchange Commission.

Under the restatement, earnings for 1978 were changed to $99.9m from $99.1m, for 1977 to $86.7m from $83.8m and for 1976 to $74.4m from $73.9m.

For 1975, earnings were changed to $64.4m from $66.5m, for 1974 to $58.7m from $55.5m, for 1973 to $52.2m from $50m, for 1972 $44.9m from $44.6m, and for 1971 to $38.7m from $38.1m.

Reuter

Posner affiliates

DWG Corporation and other companies affiliated with Mr. Victor Posner have increased their stake in Ipco Corporation, formerly Ipco Hospital Supply Corporation to 11.5 per cent from 8.44 per cent, reports AP-DJ from Miami.

DEPARTMENT STORE RESULTS

Third quarter rise at May's

BY OUR FINANCIAL STAFF

HIGHER PROFITS in the third quarter are reported by several leading stores groups. *May Department Stores* earned $19.95m or 88 cents a share on revenues up by 8 per cent to $667.4m. Returns for the third quarter last year were earnings of $18.03m or 80 cents a share.

Net earnings after nine months advanced by 22 per cent to $43.18m or $1.91 a share compared with $35.29m or $1.57 on sales marginally up from $1.7bn to $1.8bn.

The 1979 results include a reduction of interest expense as a result of capitalisation of interest charges on financing property under construction. The figures are $1.1m or 2 cents a share in the third quarter and $2.4m or 5 cents after nine months.

Last year's nine-month results include a loss of $3.62m or 16 cents a share from discontinued operations.

Marshall Field reported a net profit gain of 15 per cent to $6.13m or 60 cents a share against $5.32m or 59 cents a share on sales of $227.0m against $180.1m. The stores group said that its expansion accounted for most of its sales increases this year. Sales for comparable stores were up 2.9 per cent in the third quarter and 2.1 per cent over the nine months.

After nine months net earnings advanced to $8.11m or 79 cents a share against $7.03m or 77 cents a share on sales which increased by 27 per cent to $617.6m.

The 1979 net includes a gain of two cents a share in the third quarter and of four cents after nine months from an accounting change to capitalise interest on new store construction.

Third quarter earnings at Dayton Hudson, the Minneapolis-based stores group, surged from a corresponding $22.63m or 96 cents a share last year to $29.92m or $1.25 a share on revenues up from $703.7m to $822.4m.

This brings net earnings for the first nine months of fiscal 1979 to $61.89m or $2.60 a share, almost 67 per cent above 1978's comparative $37.12m or $1.56 a share. Revenues totalled $2.22bn against $1.92bn previously.

Federated Department Stores lifted third quarter earnings from $46.13m, equal to 96 cents a share, to $48.19m or $1.00 a share. But nine-month profits are still lower at $98.88m or $2.05 a share, against $99.05m or $2.06 a share in 1978.

Revenues in the third quarter amounted to $1.41bn, against $1.28bn previously, bringing the total for nine months to $3.89bn, compared with $3.58bn

U.S. to raise steel trigger price

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE U.S. GOVERNMENT has announced that in the first quarter of next year the trigger prices governing steel imports will be raised by an average of 5 per cent, the first nominal increase in the trigger prices in a year. The Treasury, which administers the trigger system, may vary the working price on plus or minus 5 per cent to take account of currency fluctuations.

The trigger price system, introduced nearly two years ago to counter domestic protests over soaring steel imports, is based on the production costs of Japan, the world's most efficient steel producer. Where it can be demonstrated that imported steel is being sold in the U.S. at under the trigger price, the Government is empowered to have recourse to streamlined *anti-dumping* action.

The dollar has appreciated against the yen by nearly 50 per cent over the last year and in the trigger price formula for the first quarter of next year the Administration is adding an extra 4 per cent to take account of the yen's weakness.

Mr. Anthony Solomon, the Treasury Under-Secretary, said yesterday that the U.S. has been "struck by the unusual and very large depreciation of the yen" against the dollar. He implied that the dollar was now overvalued against the yen.

Citicorp plans major management reshuffle

By Our New York Staff

CITICORP, holding company of Citibank, the second largest bank in the world, is undertaking a major restructuring of its operations which decentralises decision-making and appears to bring on successors to the bank's current top executives, all of whom are over 60.

Mr. Walter Wriston, chairman, states that the reorganisation is based on a ten-year strategic plan prepared earlier this year to equip Citibank for the next decade and is designed to get decisions made as close as possible to the market place.

Emphasis is on managing Citibank's business at the highest level on the basis of the bank's relationship with its customers rather than on the type of business or geographical area involved.

Its central feature is the appointment of three executive vice-presidents, one responsible for the bank's relations with institutions worldwide, the second for relations with individuals worldwide, and the third for legal and regulatory affairs, the corporate secretary's office, and public affairs advertising and marketing.

Responsibility for institutions goes to Mr. Thomas Theobald, 42, former executive vice-president in charge of the international banking group. His responsibilities will be broken down into four areas: North America, Europe, South America and Asia.

Individual banking will be headed by Mr. John Reed, 40, formerly in charge of the bank's consumer services group. His responsibilities will be broken up into two geographic markets: the U.S. and abroad. The merchant banking and selected other groups will continue as free-standing groups and will report independently to the president.

The third appointee is Mr. Hans Angermueller, 55, the bank's general counsel and a former senior vice-president.

Analysts *said* the restructuring marked another significant step in Citibank's long-standing decentralisation process. However interest centred more on the personalities involved since they provide the first clue to who Citibank's next leaders may be.

"The race is on," said one analyst.

The prevailing view is that Mr. Angermueller emerges as the leading contender to succeed Mr. Wriston (60). Analysts noted that while Theobald and Reed report to Citicorp's president, Mr. Angermueller will report to the chairman. And although his responsibilities are only indirectly connected with banking business, he will be handling Citibank's relations with government, and these are expected to be crucial to the bank's growth over the next decade.

However, this still leaves Reed and Theobald well placed to succeed Mr. William Spencer (62), president, Mr. Edward Palmer (62), chairman of the executive committee, and Mr. G. A. Costanzo, (63), vice-chairman.

Tappan offer data for FTC

NEW YORK—AB Electrolux, the Swedish domestic appliance group, said that it supplied the Federal Trade Commission with more information on its $18-a-share offer for the U.S. manufacturer of major home appliances, Tappan.

Electrolux expects the applicable waiting period under the Hart-Scott-Rodino anti-trust Act to expire on November 30. N.U.E. Inc., its indirect subsidiary, will buy all shares tendered as soon as possible after that.

If, as expected, such shares are purchased before the close of business on December 3, the dividend of 10 cents per share previously declared by Tappan would be payable to N.U.E. and not to tendering shareholders, it said. N.U.E.'s offer for Tappan is to expire on November 26.

Reuter

Xerox approval

The U.S. Federal Trade Commission has approved the $203m purchase of WUI, the telecommunications company, by Xerox, AP-DJ reports from Washington. Approval is subject to the condition that Xerox keeps WUI as a separate entity from Xerox's non-communications business.

Tender rules change

The SEC has adopted changes in its tender offer rules designed to offer better protection to shareholders, reports AP-DJ from Washington. The final rules require a bidder to disclose all material facts concerning terms of an offer at the same time as it announces the offer plans.

Sharp advance in Brascan profit at nine-month stage

BY ROBERT GIBBENS IN MONTREAL

BRASCAN, THE big Toronto holdings company controlled by the Peter and Edward Bronman interests, reports a sharp surge in profits with earnings amounting to US$23.4m or 82 cents a share for the first nine months of the current year, compared with $8.5m or 26 cents a share for the same period in 1978. Revenues totalled $69m

Third quarter profit was equal to 43 cents a share, against $1.06 a share, which however included $1.01 a share from the sale of its Brazilian Electric Power Company to the Brazilian government. The company said, however, that third quarter 1978 figures may be misleading because they include cruzeiro earnings from the Brazilian subsidiary sold at the end of the year.

The group says earnings for the fourth quarter should remain at least at the level of the third quarter, with good results from the natural resources sector and high interest rates expected to continue for the remainder of the year.

Oil and gas production and earnings rose in the third quarter compared with 1978. recent favourable drilling results in areas covered by sales contracts are expected to improve gas production levels.

Meanwhile, Brascan is to pay a dividend of 30 cents (Canadian) on its class A, B and C shares, payable January 31 to holders of record on December 31. The company has changed its dividend payments from U.S. to Canadian funds due to a change in dividend policy. The company last paid a dividend of 25 cents a share (U.S.) last October.

Halliburton faces write-off

NEW YORK — Halliburton had an "interesting" 1979 due to its first decline in earnings since 1971, said Mr. John P. Harbin, the chairman. But the outlook for Halliburton's main business, oilfield services and products, is excellent.

One of the more "interesting" problems confronting Halliburton is the Iranian crisis. Halliburton faces a write-off of up to $37m in Iran, comprising $25m in its oilfield services group and $12m in engineering and oenstruction.

Asked whether Halliburton would take that $37m write-off on December 31 if the Iranian situation remains largely unchanged, Mr. Harbin replied that this would be his inclination at present.

He cited a number of factors that depressed Halliburton's earnings in the first nine months o fthis year to $279.5m or $4.75 a share from the $294.4m or $5.01 a share

Higher inventories, lost contracts and a weak highly competitive market in marine engineering and oenstruction all contributed to a lower bottom line in 1979.

Severe weather last winter, confusion over world prices and confusion over Government energy policy were additional fatcors that adversely affetced the company's performance.

AP-DJ

EUROBONDS

Sch350m issue for Eurofina

BY FRANCIS GHILES

THE FIRST Austrian schilling-denominated Eurobond this year has been completed for Eurofima, the European railway stock financing company, by Girozentrale in Vienna. The borrower is raising Sch 350m for 15 years. This bond, which carries an average life of eight years, includes a coupon of 8 per cent and has been priced at 99¼ to yield 8.06 per cent.

This is the first schilling-denominated Eurobond since last December when the EIB raised money in this currency. Most of the few bonds raised in this sector have been for supranational borrowers.

The two major sectors of the Eurobond markets were quiet yesterday though prices both of Deutsche-Mark and dollar bonds eased on the day. Because of events in the Middle East, uncertainty is such that investors are nowhere to be seen.

West German financial centres were closed for the National Reportance Day holiday yesterday and trading activity was thus reduced to a trickle. In the sterling sector prices were a fraction easier on the day while Swiss franc bonds eased a little

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on November 21

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	88¼	88⅞	−0⅛	+0⅛	12.04
Alex Howden XW 9½ 91	30	77	79	+1	+1	13.31
Australian Res. 9¾ 84 ...	30	91⅜	91⅞	−0⅛	−0¼	12.03
Avco O/S Cap. 10¼ 87	40	84	84¾	−0⅛	−1¼	13.68
Beneficial Fin. 9¾ 87 ...	100	89½	90	0	−0¼	11.83
CECA 10¼ 91	150	86⅝	87¼	0	−0⅛	12.92
CECA 9¾ 99	125	80⅜	80¾	0	0	12.80
Canadian Pacific 9¾ 89	50	88⅝	89¼	0	−0⅞	11.71
Carter Hawley 9¾ 89 ...	90	88⅜	89¼	−0⅛	−0⅛	12.34
Cemalco Inv. E. 10¾ 91	40	88¾	89¼	0	−0⅛	12.03
Continental Grp. 9¾ 89	100	89¾	90⅛	+0⅛	−0⅛	11.86
Ooma Petroleum 10 84	50	88⅛	88⅝	−0⅛	−0⅛	11.88
Dominion Bridge 10¾ 84	30	92⅞	93⅜	+0⅛	+0⅛	12.34
Dow Chem. O/S 9¾ 94	200	86⅝	86⅞	−0⅛	−0⅞	11.59
EIB 9⅞ 87	150	90½	91	0	−1⅛	12.10
EIB 10 89	150	86⅞	87⅜	−0⅛	−2⅛	12.01
EIB 10¼ 87	100	91⅜	92⅛	0	−1	12.13
EIB 10.15 86	100	97⅞	88⅛	−0⅛	−2¼	12.05
Export Dv. Cpn. 9¾ 84	100	91	91½	−0⅛	−0⅛	11.95
Export Dv. Cpn. 9⅞ 84	150	92⅛	92⅝	0	−0¼	11.38
Finland 9⅞ 89	100	87	87⅜	0	−1⅛	12.21
GTE Finance 9½ 84	50	91⅝	92⅛	0	+0⅛	12.00
GTE Finance 9¾ 89	55	87⅝	87⅞	+0⅛	+0⅛	12.01
GMAC 8¾ 86	100	88⅝	89⅛	−0⅛	−0⅛	11.62
Gould Int. Fin. 9¾ 85	50	91⅝	91⅞	0	−0⅛	11.95
Hudson Bay Co. 10 84	50	89⅞	90⅜	−0⅛	+0⅛	11.42
ITT Antilles 9½ 89	75	86⅛	86⅝	0	−0⅛	11.96
Kennecott Int. 9¾ 89 ...	100	86⅞	87	0	−0⅛	12.58
Manitoba 9½ 89	75	87⅜	87⅞	0	−0⅛	11.76
Michelin 10 84	125	86⅝	86⅞	−0⅛	−0⅞	12.00
Nat. Des. Telecom. 9½ 88	100	89⅝	90⅛	−0⅛	−0⅛	11.77
New Brunswick 9¾ 94	75	85⅞	86⅞	−0⅛	−1	11.87
Newfoundland 10 84	50	88⅞	89⅜	−0⅛	+0⅛	11.57
Norges Komm. 9⅞ 99	100	86⅞	87⅜	−0⅛	−1½	11.85
Norway 9½ 84	150	91⅞	92⅛	−0⅛	−0⅛	11.88
Nova Scotia Pwr. 9¾ 89	50	87⅝	88⅛	−0⅛	−0⅛	11.88
Occidental Fin. 10¾ 84	50	93⅛	93⅞	0	+2⅛	12.12
Orient Leasing 9½ 86	25	87⅜	88⅛	0	−0⅛	12.22
Pennwalt O/S F. 9¾ 84	25	91⅞	92	+0⅛	−0⅛	12.13
Pepsico Cap. 9¾ 84	100	92	92½	−0⅛	−0⅛	11.62
Quebec Hydro 10 86	75	88⅝	89⅛	−0⅛	−0⅛	11.50
Sears Roebuck 8 82	150	93⅜	93⅞	0	−0⅛	12.46
Statoil 9¾ 89	100	88⅛	88	−0⅛	−0⅛	11.60
Sweden 9¾ 89	100	87⅝	88⅛	−0⅛	−0⅛	11.91
Sweden 9½ 86	200	89⅝	90⅛	−0⅛	−1	12.08
Sweden 9¾ 84	100	92½	93	−0⅛	−0⅛	11.81
Unilever NV 9¾ 87	100	88⅛	88⅝	0	+0⅛	11.57
Warner-Lambert 8 84	100	91⅛	91⅝	0	−0⅛	11.44

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	100	*97⅜	98⅛	−0⅛	+0⅛	8.40
Argentina 7½ 89	150	*92⅛	93⅛	−0⅛	+0⅛	8.84
Asian Dev. Bk. 7¼ 89	100	*91⅝	92	−0⅛	+0⅛	8.56
Banco Desarrollo 7¾ 86	100	*93	93⅝	−0⅛	+0⅛	8.65
Barclays O'seas 9¾ 89	100	*90⅜	91⅛	+0⅛	+0⅛	8.14
Brazil 8 87	150	*95⅞	96⅛	0	+1⅛	8.77
CECA 7 91	150	*91⅞	92⅛	+0⅛	+1⅞	8.07
Council of Eur. 7¾ 89	100	*95⅛	96⅛	0	+1	7.88
Denmark 8⅛ 89	100	*86⅜	87⅜	−0⅛	−1⅛	8.80
EEC 7⅞ 94	225	*96⅛	97⅛	0	+1⅛	8.21
EIB 7½ 89	200	*97⅛	97⅞	+0⅛	+2⅛	7.87
Eletrobras-Brazil 7 87	100	*92⅛	93	+0⅛	+0⅛	8.37
Eurofima 6¾ 89	100	*94⅜	95⅛	0	+1⅛	7.26
Kobe, City of 7¾ 89	150	*95⅛	96	−0⅛	+2⅛	7.77
Mitsubishi Chem. 8¾ 84	70	*95⅞	96⅛	+0⅛	+0⅛	7.81
New Zealand 7½ 87	200	*95⅛	96⅛	−0⅛	+2⅛	7.82
Nippon Kokan 6¾ 94	100	*94⅜	94⅞	0	+0⅛	8.03
Nippon Tel. & T. 5¾ 87	100	*86⅛	87⅛	0	+0⅛	7.88
Norges Komm. 7¾ 91	150	*98⅛	99	0	+1⅛	7.93
Norway 6¾ 84	200	*94⅜	95⅛	−0⅛	0	7.63
OKB 6 87	40	*87	88	0	−2	8.38
OKB 7¾ 89	100	*95⅞	96⅛	−0⅛	+0⅛	8.07
Tokyo Elec. Pwr. 6½ 86	200	*93	93½	+0⅛	+1⅛	8.07
World Bank 7¾ 91	400	*96½	97	+0⅛	+1⅛	8.18

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	98⅜	99¼	+0⅛	+2⅛	5.65
Aumar 5 89	60	95⅜	96	−1⅛	+0⅛	5.56
Australia 3¾ 89	250	92⅛	92⅝	−0⅛	+0⅛	4.59
Bergen, City of 4¾ 91	40	97⅜	98	+0⅛	+1⅛	4.86
SNOE 5 86	75	90⅜	90⅞	0	+1⅛	5.30
BMW Overseas 4¾ 91	100	97	97⅛	−0⅛	+1⅛	4.57
Caisse Nat. Tels. 4¾ 89	100	98⅛	98⅝	0	+2⅛	4.53
Canada 3¾ 89	300	92½	93	0	+1	4.60
Copenhagen 4½ 91	60	96⅜	97	+0⅛	+1	4.88
EIB 4½ 91	100	96	97	−0⅛	+1⅛	4.90
EIB 4¾ 94	100	91	92	−0⅛	+1⅛	5.21
Elet. de France 4¾ 89	100	98⅛	98⅝	−0⅛	+1⅛	4.55
GZB 4¾ 89	100	93⅛	93½	−0⅛	+2⅛	5.12
Hiltl 4½ 81	35	99	99⅜	−0⅛	+0⅛	4.34
ICI Fin. NV 3½ 94	230	86⅛	86½	−1⅛	−0⅞	4.84
Int.-Amer. Dev. 4½ 89	100	93½	94	−0⅛	−0⅛	5.34
Malaysia 5 89	80	91⅛	91⅝	−0⅛	+1⅛	6.14
Nippon Tel. & T. 4¾ 89	100	98⅜	93⅛	0	+1½	4.47
Nordic Bank 5 88	45	100⅛	100⅛	+0⅛	+0⅛	4.93
Norges Komm. 4¾ 91	100	94	94⅞	+0⅛	+1⅛	5.03
OKS 3¾ 91	100	85⅞	85⅜	0	+1⅛	5.42
OKB 4¾ 91	100	92½	92⅞	−0⅛	+2⅛	5.22
Oslo, City of 4¾ 91	100	93⅛	94	−0⅛	+3⅛	5.09
Pfand Ost. Lande 4 90	80	90⅜	90⅞	−0⅛	+0⅛	6.22
Shikoku El. Pwr. 4⅝ 89	100	198⅛	98⅛	−0⅛	+0⅛	4.86
Spain 4 91	100	92⅞	92⅞	−0⅛	+0⅛	4.86
Stewag 4¾ 91	60	100	100⅛	+0⅛	+1⅛	4.73
Voest-Alpine 4¾ 89	90	100	100⅛	+0⅛	0	4.73
World Bank 4¾ 89	100	98⅛	99	+0⅛	+1	4.77
World Bank 4¾ 89	190	95⅜	96⅛	−0⅛	+3⅛	4.91
World Bank 4¾ 91	100	94⅜	95⅛	−0⅛	+2⅛	5.20

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 6.6 83	30	88⅞	89⅛	0	−0⅛	3.14
Australia 6½ 89	20	84⅞	85⅛	−0⅛	−0⅛	3.90
EIB 7¾ 89	12	97⅝	98⅛	0	0	8.00
Finland 5.8 83	10	87⅝	88⅛	−0⅛	−0⅛	3.31
Finland 6.6 88	10	87⅝	88⅛	0	−0⅛	9.00

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin. 10¾ 86 C$	25	89	89⅛	0	−0⅛	13.00
Bell Canada 10¾ 86 C$	50	92⅛	92⅝	−0⅛	0	12.45
Cr. Foncier 10¾ 84 C$	30	88⅞	89⅛	−0⅛	−0⅛	13.53
Ex. Dev. Cpn. 10 84 C$	50	*91	91½	0	−0⅛	12.63
Fst. Can. Inv. 10 84 C$	50	90⅝	91⅛	−0⅛	−0½	12.75
Hudson Bay 10½ 89 C$	60	89½	90	−0⅛	−0½	12.38
Quebec 10¾ 86 C$	50	88⅞	89⅛	−0⅛	−0⅛	12.77
R. Bk. Canada 10 86 C$	40	89⅛	89⅜	0	+0⅛	12.42
R. Bk. Canada 10 84 C$	40	84⅞	84⅞	+0⅛	−0⅛	12.30
Copenhagen 8¾ 91 EUA	25	94⅞	95½	−0⅛	−1⅛	8.97
Copenhagen 8¾ 91 EUA	20	100	101⅛	0	−0⅛	8.66
SOFTE 8¾ 89 EUA	40	90⅞	92½	0	+0⅛	8.65
Algemene Bk. 8¾ 84 Fl	75	96½	87	−0⅛	0	9.10
Amev 8½ 86 Fl	75	96⅛	97⅛	−0⅛	+0⅛	9.10
Ned. Middbk. 8¾ 84 Fl	75	96⅞	96⅞	+0⅛	+0⅛	8.24
Norway 8⅛ 84 Fl	100	96⅛	96⅝	−0⅛	−0⅛	8.28
Norway 8¾ 84 Fl	100	96⅛	96⅞	0	−0⅛	9.13
Rabobank 8 84 Fl	25	100⅛	100⅝	−0⅛	−0⅛	8.50
Air France 11 84 FFr	120	97⅞	98⅛	0	0	11.47
Euratom 9¾ 87 FFr	150	85⅝	86⅛	0	+0⅛	12.75
Finland 11 84 FFr	80	96½	97½	+0⅛	+0⅛	11.83
Finland 11½ 89 FFr	70	96⅜	96⅞	0	+0⅞	12.16
Gaz de France 11 84 FFr	150	96⅜	97⅛	0	+0⅛	11.76
Norway 9¾ 84 FFr	200	89⅞	90½	0	+0⅛	12.3[illegible]
PSA Peugeot 9¾ 87 FFr	175	84⅜	85⅛	+0⅛	0	13.0[illegible]
Renault 9¾ 86 FFr	190	87⅛	89⅛	0	+0⅛	12.7[illegible]
Saint-Gobain 9¾ 89 FFr	130	86⅜	86⅞	0	+0⅛	13.0[illegible]
Solvay et Cie 9¾ 87 FFr	125	85⅞	86⅛	0	0	12.8[illegible]
Total Oil 9⅞ 87 FFr	150	83⅛	84⅛	0	+0⅛	12.9[illegible]
Citicorp 10 93 £	20	82⅞	83⅛	0	+0⅛	12.6[illegible]
EIB 9¾ 89 £	25	77⅞	78⅛	−0⅛	−0⅛	14.40
EIB 11½ 91 £	25	83½	84⅛	−0⅛	−1½	14.41
Finance for Ind. 13 91 £	15	90¼	91	−0⅛	−2⅛	14.71
Fin. for Ind. 12½ 89 £	30	89	89⅜	−0½	0	14.58
Gen. Elec. Co. 12½ 86 £	50	89⅜	90⅞	−0⅛	−0⅛	14.48
Indonesia 8¾ 91 KD	7	†93⅜	94½	−0⅛	−0⅞	8.63
Mitsubishi 7½ 84 KD	10	†95⅛	96⅛	0	0	8.69
Norges Kom. 7½ 89 KD	12	†93⅛	93⅜	0	0	8.51
Occidental 6¾ 81 KD	7	†91⅞	92⅞	0	0	9.39
Akzo 9⅛ 87 LuxFr	500	96	87	0	−0⅛	8.90
Eurotom 8 87 LuxFr	500	90⅛	91⅛	0	+0⅛	8.73
Norges Kom. 8 89 LuxFr	500	90	91	0	0	8.84
Oslo, City of 8 89 LuxFr	500	90⅛	91⅛	0	+0⅛	9.54

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Banco di Roma Int. 6 87	0¼	99⅛	99⅜	26/4	15½	15.83
Bco. Nac. Argent. 7 86	0¼	97⅛	97⅝	22/3	13.18	13.54
Banco Prov. BA 7¾ 86	0⅛	97⅝	98½	12/12	11	11.24
Banco Urquijo 6 86	0⅛	97⅛	97⅝	21/3	13⅞	13.74
Bank of Ireland 5¾ 89	0⅛	87⅛	97⅛	21/2	5¼	5.38
Bank of Tokyo 5¾ 89	0⅛	98⅛	98⅝	25/10	16.13	15.43
Bque. Indo Suez 5¾ 89	0⅛	97⅞	98⅛	11/1	11	11.21
BNP 5½ 91	0⅛	87	97⅛	22/2	11.84	12.28
Citicorp O/S Fin. 6 94	‡0⅛	99⅛	99⅜	8/12	12.81	12.89
Citicorp O/S 83	§‡0	99⅛	99⅝	23/11	11.88	11.95
Co-operative Bk. 8 90	0⅛	97⅝	98⅛	16/5	16.06	16.39
Creditanstalt 5½ 91	§‡0⅛	88	89½	14/12	12.94	13.17
CNT 5¾ 89	§0⅛	99	99½	13/4	15.18	15.30
GZB 5½ 89	‡0⅛	98⅞	99⅛	1/2	18.18	18.33
Jugobanka 8 89	0⅛	84⅞	95⅝	23/11	11⅞	12.47
LTCB Japan 5½ 86	0¼	89½	99	7/12	11⅛	11.27
Mfrs. Han. O/S 5¾ 94	‡0⅛	99⅛	99⅝	23/11	12.56	12.64
Nacional Fin. 6¾ 86	0⅛	96½	97	25/1	11½	11.89
Nat. West. 5¾ 94	§0⅛	97½	89	11/1	14.84	15.28
Nippon Cred. Bk. 5½ 88	0¼	96⅜	97⅛	12/1	10⅞	11.21
Royal Bk. Scot. 5¾ 94	§‡0⅛	88½	99	11/1	14.94	15.13
Soc. C. de Bque. 6½ 87	0⅛	96⅝	97⅛	3/4	13¼	13.88
Sogenal 5¾ 89	§0⅛	96⅛	96½	11/1	10.81	11.20
Sweden 6¾ 81	‡0⅛	97⅛	97⅛	18/1	15	15.40
TVO Pwr. 8 91 (0-lock)	0⅛	96⅞	87⅛	24/11	11⅛	11.46
Utd. Overseas Bk. 8 89	‡0⅛	97	97½	29/12	12.94	13.31
Williams & Glyn 5¾ 91	0⅛	97⅛	97⅝	14/3	13	13.35
Bq. E. d'Alg. 4¾ 89 DF	0⅛	95⅛	96	13/12	4¼	4.44

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7¾ 86	10/79	143	91⅛	92⅞	0	−3.58
Alco Int. Fin. 9½ 94	1/80	40	93½	94½	−0⅛	14.00
Asahi Optical 7 94	11/79	605	83	84	−2	5.32
Canon 6¾ 94	3/79	570	93	94	−1⅛	0.65
Ciba-Geigy O/S F. 4 94	9/79	675	87	88½	0	−1.50
Credit Suisse 4¾ 93	10/79	1325	100	101½	−0⅛	−1.40
Daiei Inc. 6½ 94	11/79	1020	95	96	−1	3.15
Esselte 7¾ 89	3/79	159	93½	94⅛	0	−1.06
Honda Motor 5½ 86	5/79	532	98⅛	99½	−5⅛	−2.63
LPC Internatl. 8 86	3/79	35	97½	98½	−0⅛	5.93
Meidensha Elec. 7 84	12/79	210	90⅜	91⅛	−0⅛	34.00
Mitsubishi Cp. 6½ 94	10/79	604	133	134½	−9⅛	−1.23
Nippon Seiko 7¾ 94	12/79	339	86	*97	+0⅛	10.28
Nitto Elec. Ind. 8 94	7/79	735	78½	79⅛	−0⅛	16.06
Toshiba Cpn. 7¾ 94	10/79	186	81½	82½	−1½	20.56
Union Bk. Switz. 5 89	2/80	125	102⅛	103⅛	+0⅛	2.84
Fujitsu 5 84 DM	7/79	475	*96	96⅛	0	35.47
Kansai Elec. 4 94 DM	4/79	1234	*86½	87½	+0½	62.03
Tokyo Elec. 3½ 87 DM	4/79	476	*98⅛	99⅛	+0⅛	162.90
Tokyu Ld. Cp. 4 86 DM	4/79	453	*77⅛	78⅛	0	57.90
Uny Co. 6½ 86 DM	11/79	1071	*97	97⅛	−0⅛	24.85

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month: § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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EUROPEAN CAR INDUSTRY

Full order books at BMW

By Roger Boyes in Bonn

THE GERMAN car and motor-cycle manufacturer, Bayerische Motoren Werke (BMW), is performing well above the average for the country's motor industry this year, and can look forward to full order books well into 1980.

This pattern emerges from the figures for the first nine months revealed yesterday in a BMW letter to shareholders. The BMW board said that despite rising costs, it was expecting a satisfactory result this year—although it declined to forecast the dividend level. Given that BMW's output and sales in the first three quarters are well up on last year, which itself saw radically improved sales levels, the prediction of a satisfactory result seems to be something of an understatement.

From January to September, BMW produced 6.5 per cent more passenger cars than for the same period last year, reaching 247,965 units. That contrasts with an average rise in output within the industry of only 3 per cent. New registrations of BMW cars in West Germany were up by 4 per cent in the first nine months compared with last year, while exports rose by 6 per cent to 126,923. Sales of motorcycles were also up, especially on the overseas markets, although production was cut back.

Total turnover in the first nine months rose by 11.6 per cent to DM 4.8bn ($2.7bn). Domestic business accounted for DM 2.53bn of this, representing a 12 per cent increase on the first nine months of 1978. Group turnover, buoyed by the success of the overseas subsidiaries, bas increased by 15.3 per cent in the first nine months to DM 5.5bn.

Sharp improvement in Volvo margins

BY VICTOR KAYFETZ IN STOCKHOLM

VOLVO, the automotive and heavy machinery group which is Sweden's largest industrial enterprise, had pre-tax profits for the first nine months of SKr 861m ($205m), 73 per cent above the SKr 498m for the corresponding period of 1978.

The profit margin climbed from 3.7 to 5.1 per cent of sales, and theoretical earnings per share increased from SKr 13.30 to SKr 22.90.

The nine-month profit figure includes foreign exchange gains of SKr 15m on loan liabilities, against a loss of SKr 41m a year earlier.

Third-quarter earnings were SKr 216m, down from the second quarter's extremely strong SKr 410m due to the summer holiday period. In 1978, third-quarter profit was SKr 112m, and the second quarter yielded SKr 235m.

Volvo now appears virtually assured of becoming the first Swedish company to crack the SKr 1bn pre-tax profit barrier. As usual, however, Mr. Pehr Gyllenhammar, managing director, refrained from any forecast of the year's results. In a radio interview, he repeated his warning earlier in the year that despite the current surge in Volvo's sales and profits, the imminent international recession would probably harm the group's business prospects.

Nine-month turnover rose by 25 per cent to SKr 16.82bn ($4bn), and the share represented by foreign markets increased from 75 to 77 per cent.

In the third quarter alone, sales rose by 17 per cent to SKr 5.13bn. Volvo's full-year turnover in 1978 was SKr 19.13bn, and pre-tax profit reached SKr 646m.

Sales of Volvo passenger cars were up by 29 per cent in January-September, reaching SKr 9.4bn, while the number of units sold moved from 205,000 to 235,000.

Volvo provides no breakdown of earnings by product groups, but singles out its larger car models as a major source of improved profits. Operating earnings from smaller passenger cars also rose, but "full cost coverage was not achieved."

Trucks and buses accounted for SKr 4.54bn in turnover, an increase of more than 23 per cent over the first nine months of 1978. About 23,000 units were sold, against 20,500, and both the inflow and backlog of orders for the period was up.

Sales of construction, agricultural and forestry machinery climbed by 24 per cent to SKr 1.39bn, bringing this product category back into the black. Marine and industrial engines also moved into profit during the first nine months, on sales of SKr 748m, up 13 per cent. Earnings from aircraft engines were somewhat lower.

A special grant from the Netherlands Government to the Dutch subsidiary Volvo Car reduced operating costs in January-September by SKr 32m, against SKr 149m for the same period of 1978.

The subsidiary Volvo BM and Finland's Valmet are 50-50 owners of the newly-formed company Scantrac, which is assuming responsibility for the development and marketing of tractors. Volvo BM and Valmet are also discussing collaboration on forestry machinery.

Volvo BM is selling its track-laying vehicle operations to Sweden's Haegglund Company with effect from the end of the year.

Share capital of Volvo increased by SKr 177m to SKr 1.06bn as a result of the rights issue completed in October. The company borrowed SKr 150m in Sweden for 15 years at 11.25 per cent interest last month, and in November floated an eight-year international bond of LuxFr 500m, or about SKr 73m, at 9.75 per cent.

Nissan confirms Iberica talks

BY ROBERT GRAHAM IN MADRID AND RICHARD C. HANSON IN TOKYO

AFTER SEVERAL weeks of speculation Nissan Motor of Japan yesterday confirmed that it was negotiating to buy the 37 per cent stake in Motor Iberica, Spain's leading tractor and agricultural machinery producer, held by Massey Fergusson of Canada.

It was felt in the industry yesterday that the Japanese automotive giant was anxious to quickly conclude the deal and that no official Spanish objections were likely. Nissan, however, stressed that, in the face of stiff competition, it was too early to say whether it would eventually clinch the purchase.

Massey Fergusson has received a number of approaches from other multi-national groups for its Motor Iberica shareholding, including General Motors, Volvo and Renault.

In addition to making agricultural equipment Motor Iberica produces light trucks and vans, earth moving equipment and diesel engines (Perkins). The group also has a number of subsidiary interests in Europe and Latin America.

Last year the company had total sales of Pts 40bn ($600m) of which 80 per cent arose from domestic sales. Pre-tax profits were Pts 1.2bn ($18m) and net cash flow was the equivalent of $25m.

This year sales are reported to have been affected by the domestic recession and, in export markets by the high value of the peseta. This coupled with a sharp increase in debtedness last year has increased the company's need to find a satisfactory solution — both to accommodate Massey Fergusson's desire to sell and to secure a viable long-term base.

Nissan, and other Japanese motor companies, have been studying Spain as a manufacturing base from which they could eventually supply European markets once Spain enters the Common Market. Toyota Motor, Japan's largest motor company, has denied reports that it will actually build a facility in Spain, but admits to conducting market feasibility studies.

Philips pulls out of bidding for Pertec

By Charles Batchelor in Amsterdam

NORTH AMERICAN Philips has accepted an offer of $700,000 from Triumph-Adler, the West German office equipment and computer group, to meet the legal and other costs of withdrawing from the bidding for Pertec Computer Corporation of the U.S.

Pertec originally accepted a $15 per share bid for 45 per cent of its equity from Philips in August. However, Triumph-Adler, which is controlled by Volkswagen, subsequently made a $16.50 per share bid for the entire capital of Pertec, valuing it at $117m.

"It is only reasonable that Triumph-Adler meets our costs since our bid is not going through," said a spokesman for Philips in Eindhoven.

For its part, Triumph said yesterday that the settlement provides that Philips will not sue Triumph and will release Triumph from any claims related to Philips' agreement to buy Pertec shares. It will also release Triumph from any claims related to the tender offer for Pertec and the Triumph-Pertec merger agreement. Additionally, Pertec and Philips have agreed that, if the settlement is concluded, Philips will terminate its stock purchase agreement and similarly release Pertec from all claims.

Pertec makes computer peripheral equipment and systems. Triumph Werke, which makes office machines and computer systems, is 53.8 per cent owned by Volkswagen.

Support for Euromarkets supervision

By Jonathan Carr in Bonn

SUPPORT FOR co-ordinated international action to help curb "unhealthy tendencies" in Euro-market business has been voiced by Dr. Wilfried Guth, head of the Deutsche Bank, West Germany's largest commercial bank.

He warned, however, that any new supervisory regulations should not be so tough as to prevent the Euromarkets from carrying out their essential role as a recycler of the oil producers' surplus funds.

In a speech at Karlsruhe University, Dr. Guth noted that excessive competition among the banks involved in Euro-market business was not unusual. This brought a cut in interest margins and a lengthening of the time-span for which credit was granted.

The margins now reached might not always be enough to cover the credit and refinancing risks involved. Dr. Guth felt that the introduction of common rules involving consolidated accounts for all banks involved in the Euromarkets and for a minimum ratio between capital and lending could help correct the situation.

His comments come at a time when the Bonn Government is privately encouraging the growing degree of accord that some action is needed to help scrutinise the Euromarkets.

Turnover up on Zurich Bourse

BY JOHN WICKS IN ZURICH

OVER THE first 10 months of this year, securities turnover on the Zurich Stock Exchange almost equalled that for the full 12 months of 1978. Turnover amounted to SwFr 99.08bn ($60.41bn), compared with last year's total of SwFr 99.22bn. The number of bargains in the January-October period reached 220,827, against 241,434 for the whole of last year.

The Basle Bourse recorded an even sharper rise in turnover for the 10-month period. The figure of SwFr 23bn compares with a level of only SwFr 19.8bn for the whole of 1978.

It now seems certain that both bourses will show record securities turnover this year.

The number of bargains marked on the Basle Exchange reached 69,615 for the January-October period, compared with 62,875 last year.

* * *

THE ZURICH-BASED Union Bank of Switzerland is to issue SwFr 100m worth of 14-year bonds on the Swiss capital market from November 27 to December 3. The issue, which is intended to finance long-term operations, will bear a coupon of 4½ per cent, and the issue price will be announced later. Premature redemption of the bonds will be possible from 1988 onwards, starting at a rate of 101.5 per cent of face value and with a premium falling to nil by 1991.

Following an adjustment to market conditions, Swiss Bank Corporation has reduced from 12 to 10 years the maturity of its SwFr 100m bond loan, and at the same time lengthened the subscription period to November 27. The issue price for the bonds, whose coupon remains at 4½ per cent, is being lowered from 99½ to 99 per cent.

Rights by Swiss Michelin

BY OUR FINANCIAL STAFF

A SWISS holding company within the Michelin tyre group of France plans to raise the equivalent of $122m through a rights issue.

Cie Financiere Michelin, which is a holding company for the non-French operations of the Michelin group, is to make a one-for-four rights issue at SwFr 150 a share.

The funding will involve the issue of an additional 1.34m new shares and lift the company's capital from SwFr 535m to SwFr 668.5m.

Cie Financiere Michelin also report marginally higher profits for the year ended June last. At the net level, earnings emerge at SwFr 99.6m compared with SwFr 95.1m. An unchanged dividend of SwFr 5.20 a share is planned.

Allia-Doulton agrees disposal

PARIS—Allia-Doulton, a subsidiary of the leading French cement concern Lafarge, has reached agreement with the Swedish group, Tour and Andersson, on the sale of its wholly-owned West German subsidiary, Rokal.

Allia-Doulton is 26 per cent-owned by Doulton and Co., part of S. Pearson and Son of the UK.

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Lufthansa lifts stakes in travel agencies

By Our Bonn Correspondent

LUFTHANSA, the West German airline, has taken a stake in several domestic travel agency concerns—a move intended to ensure that it retains its competitive position in air travel bookings.

The airline notes that recently a large number of the country's travel agencies became connected, either directly or indirectly, with potential Lufthansa competitors.

To preserve its position, Lufthansa has signed accords to purchase 10.8 per cent of Deutsche Reisebuero, 50 per cent of the F.I.R.S.T. group and majority holdings in the Euro-Lloyd and Kuebne und Nagel Reisebuero concerns. All are notable forces on the German travel agency scene.

Opposition mounts to News bid for control of HWT

BY JAMES FORTH IN SYDNEY

NEWS LTD., Mr. Rupert Murdoch's newspaper and television group yesterday encountered stiff opposition to its bid for control of Australia's largest media group, the Herald and Weekly Times. In developments yesterday the HWT board revealed a 16 per cent profit increase and a scrip issue, the News group was confronted by strong competition for HWT shares on the sharemarket, and the Trade Practices Commission threatened to seek an injunction against News unless it agreed to stop buying HWT

The TPC said that the acquisition was likely to contravene the Trade Practices Act, and asked for an undertaking that News would not buy any further HWT shares for one month. The commission added that it wanted to investigate the matter "immediately and urgently," and gave News until noon today to reply. TPC officials met News legal representatives yesterday, and further talks are planned for this morning.

In the meantime, News stayed in the market yesterday and is expected to buy again today, at least until the TPC deadline. But News met spirited opposition in the sharemarket. The price of HWT opened at A$4.00—an increase of 20 cents on Tuesday's close and equal to the proposed formal offer price—but closed at A$4.15.

News again operated through two Melbourne sharebrokers, J. B. Were and E. L. and C. Naillieu, but Potter Partners, which has been retained by HWT as an adviser, moved into the market and picked up about 1.7m of the 2.7m shares traded, with the remainder going to News. The largest institutional holder in HWT, the AMP Society also sold its parcel of 2.2m shares or 3.5 per cent of the capital, off market, reportedly for A$4.37 a share. These shares were purchased by Potter clients, thought to involve interests friendly to HWT and led by a newspaper associate, Queensland Press. HWT owns 39.3 per cent of Queensland Press, which in turn held 7.7 per cent of HWT before News announced its proposed bid.

Thiess takes legal action against CSR and Shell

BY OUR SYDNEY CORRESPONDENT

THIESS HOLDINGS has started a legal action against CSR and the Shell oil group in a last-ditch attempt to avoid being taken over by CSR. Earlier this week Shell announced that it had sold its 15.8 per cent stake in Thiess to CSR for A$70m (U.S.$77m) cash. Shell also revealed that it would become a "minority venturer" with CSR in three Thiess steaming coal ventures if the bid succeeded.

The directors of Thiess said yesterday that they had started proceedings in the Supreme Court of Queensland to challenge this arrangement. The basis of the Thiess claim is that the agreement to grant Shell equity in the steaming coal ventures confers an advantage on Shell not offered to other Thiess shareholders, and that this is a breach of Stock Exchange listing requirements and the Companies Act. The Thiess directors said the action followed numerous complaints to the company by other Thiess shareholders that Shell had obtained an improper advantage

CSR already holds 19 per cent of Thiess and the Shell stake would give it 34.9 per cent. Moreover, another large shareholder, the life office AMP Society has indicated that it intends to accept for its 9.2 per cent interest, which would lift CSR's holdings to 44 per cent, and almost certainly ensure victory.

Hindustan Lever asked to meet Indian equity rule

BY K. K. SHARMA IN BOMBAY

HINDUSTAN LEVER, the Unilever offshoot, has lost its battle to retain a majority foreign equity holding and has been asked by the Reserve Bank to reduce its foreign holdings to 40 per cent by the end of 1980. At present, Unilever owns 66 per cent of the Equity after diluting its 85 per cent holding through a public issue in 1977.

However, Hindustan Lever has won a major concession in being allowed to reduce its foreign holdings to 40 per cent in two stages. It will announce a rights issue in the next few days and, by a major disinvestment by Unilever, will reduce the foreign holding to 51 per cent by next June. Under the present order of the Reserve Bank, Hindustan Lever must be only 40 per cent foreign owned in the next stage to be completed by the end of 1980.

The company plans to continue to fight for its right to remain at 51 per cent and it is possible that the issue will be taken up at a political level after the Indian general elections to be held on January 3 and 6.

The present order has been passed by the Reserve Bank which is the administering authority of the Foreign Exchange Regulation Act (FERA). Under FERA, all foreign companies must reduce their non-resident equity holding to 40 per cent unless they satisfy an official committee that they plan to diversify into the "core" and high technology areas, and also export 30 per cent of their turnover.

Hindustan Lever wants to remain at 51 per cent on the grounds that it is already operating in high-technology areas, like fertilisers and chemicals, and has plans to enter the cement industry. Last month, its huge Rs 220m (about $27m) industrial phosphate plant was commissioned in Haldia in the state of West Bengal.

Most foreign companies which have been directed to dilute their non-resident holdings to 40 pe rcent have complied with the orders. It is possible that Hindustan Lever will also be compelled to do so, but, unlike others, it has put up a stiff fight and plans to continue its battle

Sharp rise in ACI profit

BY OUR SYDNEY CORRESPONDENT

THE MAJOR glass, packaging and plastics group, Australian Consolidated Industries (ACI), has raised its interim dividend from 6 cents a share to 7.5 cents after boosting earnings by 53 per cent from A$11m to A$16.8m ($US18.5m) in the September half-year. The improvement outstripped sales growth of 12 per cent, from A$388m to A$435m.

The directors said the improved result was due in part to the inclusion of a full six months' trading by the appliance group, Vulcan Industries, compared with only three months in the same period last year. Higher export sales by the New Zealand subsidiary, Alex Harvey Industries, lower tax because of export incentives, and the sale of a majority interest in the loss-making Pacific Can bad also helped. In addition, higher profits were earned by ACI's glass packaging division and the Singapore and Malaysian companies.

HONG KONG STOCK MARKET

Six year peak overcomes Iranian blow

BY PHILIP BOWRING IN HONG KONG

HONG KONG'S Hang Seng Index has lost 34 points over the past week closing yesterday at 709.9, but stands out like a tower next to most other world markets. But the weakness over the past week is still overshadowed by the remarkable gain of no less than 80 points in the first two weeks of this month which took the index to a six-year high of 744 points on November 14. The rise was stopped in its tracks by the Iranian crisis, but a resumption cannot be totally ruled out.

Remarkable rise

Hong Kong's performance has been remarkable against a background of sharply rising world interest rates, falling stock markets, and looming economic and political shadows. It may seem surprising to some that Hong Kong, with its extreme external dependence should shrug off world sentiment. However, the Hong Kong market's behaviour is not inexplicable.

The stock market is heavily weighted towards property and financial stocks and not towards the manufacturing enterprises which are the base of the city state's economy.

For more than three years the property market has been enjoying a remarkable boom, primarily created by huge increases in credit. Overall bank credit has risen 43 per cent in the past 12 months, following a similar sized increase in the preceeding 12 months. Lending for house purchase and building has been growing faster than any other sector.

Though Mr. Philip Haddon-Cave, Hong Kong's Financial Secretary, has been warning for more than a year of the dangers of this high rate of credit growth, neither exhortation nor increases in interest rates have been sufficient to stem it. In September alone, the month after prime lending rate reached a record 14.5 per cent, banks advances grew a further 2.8 per cent.

Lending has continued to outstrip money supply growth, but a big inflow of foreign funds, mostly through the banks, has ensured that the system has remained surprisingly liquid, even in the face of big rises in interest rates on dollars and sterling which have not been matched yet by another upward push in Hong Kong rates.

Money and rumour have fed on themselves to present several speculative situations—mostly related to property and possible takeovers. There have also been rumours of defensive power realignments by the European "hongs" following the acquisition by Cheung Kong (Holdings), the biggest of all development ventures, of effective control of Hutchison Whampoa. HK and Kowloon Wharf Company has been one favourite takeover and property asset counter.

Massive profits

Market values of property shares are still, in most cases, well below updated net asset values—on the dubious assumption that land and properties actually traded represent the underlying values of property in general. Property prices have risen very much more steeply than share prices, and created some of the massive profits now being announced, or forecast, by developers.

There are several sources of supply of cold water. First is external demand. Exports have been buoyed by unexpectedly strong UK and West German consumer demand, and the delay in arrival of the U.S. recession. Now the U.S. recession looks as though it could be sharp, UK demand growth will probably stagnate and German grow much more slowly. Meanwhile the strength of the Hong Kong dollar brought about by inflationary money inflows has reduced the competitive position of Hong Kong industry at a time when prices may become of increasing importance in securing orders. Domestic and monetary restraint has been the order of the day for some months in Korea and Taiwan and they now look better placed.

Hong Kong interest rates are likely to rise again before they fall, and will eventually have an impactoo stock and property values. Inflation, already running at 13 per cent is unlikely to abate for several months, and longer if the currency weakens again as many expect. If there is not a sharp reduction in credit, the Government will be forced to act to prevent Hong Kong's once stable currency declining

Scindia seeks loan

BY OUR NEW DELHI CORRESPONDENT

SCINDIA Steam Navigation Company has asked for a loan of Rs 160m (about $20m) from the Shipping Development Fund Committee. The committee is considering the proposal on the basis that all the company's vessels will be mortgaged to it—to boost Scindia's liquidities.

Scindia's directors say that the liquidity position remains difficult in view of the continuing depression in the world freight market. Because of this, it has obtained a moratorium both from the Shipping Development Fund Committee and other lending institutions on payments due to them.

However, Scindia hopes to be able to show slightly improved results this year because of the rise in the charter rates of bulk carriers since the final quarter of last year. The company has been handicapped both by the world shipping situation and the severe congestion in Indian ports.

During 1978-79, Scindia took delivery of two vessels of 13,700 dwt each built by East Germany. Another vessel of 21,450 dwt was obtained from Hindustan Shipyard of India which is expected to deliver two more this year.

Scindia's joint venture in Nigeria, Equitorial Carriers, suffered a loss equivalent to Rs 13.8m in 1978 owing to the recession in freight, import restrictions in Nigeria, and port congestion. The future of the company is now being discussed with its collaborators in Nigeria.

Indian Explosives rights

BY P. C. MAHANTI IN CALCUTTA

INDIAN EXPLOSIVES, a twenty-five-year-old joint venture of ICI, of the UK, and the Indian Government, which has been manufacturing commercial explosives and urea fertilisers has just issued Rs 250m ($30m) of debentures by way of rights to its shareholders, with an option to convert 20 per cent of the face value of the debentures into equity after three years. The balance will be refunded in five equal instalments and the debentures carry 10½ per cent interest.

The debentures are part of the Rs 880m financing scheme for the company's project to raise its fertiliser capacity by 50 per cent by 1981. The present installed capacity is 450,000 tonnes which is being expanded to 675,000 tonnes.

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CURRENCIES, MONEY and GOLD

Sterling nervous

Sterling finished at its lowest level for the day in currency markets yesterday, and was barely above Tuesday's closing levels. After an initial rise which was more a reflection of dollar weakness, the pound fell on current industrial unrest within the UK car industry. On Bank of England figures, the pound's index finished unchanged at 69.8, but this showed a fall from the morning calculation of 69.9. Against the dollar it opened at $2.1850 and touched a best level early on at $2.1920. However, it very quickly fell to $2.1745 before rebounding to $2.1840. Towards the close it dipped slightly to finish at $2.1735-2.1745, a rise of just 60 points from Tuesday, but a drop of nearly 2 cents from the day's high.

The current uncertainty over Iran affected trading in all currencies and very little business was seen overall. Trading was also curtailed by the closure yesterday of West German centres and today's Thanksgiving day holiday in the U.S. The dollar fluctuated on various rumours concerning Iran heard throughout the day, and finished slightly weaker overall. Against the D-mark it fell to DM 1.7565 from DM 1.7645 and to SwFr 1.6400 from SwFr 1.6440 in terms of the Swiss franc. On the other hand the Japanese yen weakened on fears over oil supplies and the dollar rose to a two-year high of Y248.10 compared with Y246.30 on Tuesday. On Bank of England figures, the dollar's trade weighted index remained at 86.6.

ZURICH—The dollar and the Swiss franc were both weaker against the D-mark, with the franc sinking to a new low for the year. The D-mark was quoted at SwFr 93.30 per DM 100, up from SwFr 93.10 on Tuesday. The Swiss National Bank may have sold D-marks forward once again but not on any great scale. There did not appear to be any reason for the decline in the Swiss franc, although dealers pointed out that demand for the D-mark remained high. Trading yesterday was restricted to a certain extent by the closure of West German markets for a holiday.

PARIS—The French franc was weaker against the D-Mark and sterling, but rose against other EMS currencies and the U.S. dollar. Sterling rose to FFr 8.9650 from FFr 8.9450 and the D-Mark was firmer at FFr 2.3478 against FFr 2.3458. Elsewhere the Swiss franc fell to FFr 2.5138 from FFr 2.5176, and the dollar sank to FFr 4.1207 from FFr 4.1540. The lira dipped to FFr 5.0225 from FFr 5.0330 per L1,000 and the Belgian franc was fixed lower at FFr 14.4855 compared with FFr 14.4940 per BFr 100 previously. The Dutch guilder was fixed lower at FFr 2.0970 against FFr 2.1037, and sank to the bottom of the EMS, replacing the Belgian franc as the weakest currency.

MILAN—The dollar was fixed at L820.70 yesterday, its lowest level for nearly seven weeks, and compared with L825.20 on Tuesday. The lira was weaker however against EMS currencies except the Dutch guilder, which continued to show an easier tendency. The D-Mark rose to L467.47 from L466.46 and the French franc was firmer at L199.20 against L198.71. Sterling rose to L1,789.15 from L1,783.1.

TOKYO—The dollar improved against the yen to Y247.05 compared with Tuesday's close of Y245.75. The rise came after reports of an armed attack on a mosque in Saudi Arabia, the consequences of which could affect Japan's oil supplies. The Bank of Japan intervened in the market and supported the yen by selling an estimated $100m. The yen was also depressed by worse than expected trade figures for the first 10 days of November. These showed a sharp increase in Japan's deficit to around $700m compared with less than $30m for same period in 1978.

THE DOLLAR SPOT AND FORWARD

Nov. 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1730-2.1920	2.1735-2.1745	0.62-0.52c pm	3.15	1.13-1.03 pm	1.98
Ireland†	2.1030-2.1140	2.1090-2.1140	0.80-0.50c pm	3.70	1.60-1.30 pm	2.75
Canada	1.1748-1.1752	1.1749-1.1752	0.10-0.05c pm	0.82	0.31-0.27 pm	0.99
Nethlnd.	1.9630-1.9645	1.9630-1.9645	0.62-0.52c pm	3.48	2.03-1.93 pm	4.03
Belgium	28.44-28.50	28.48-28.50	1c pm-par	0.21	7-5 pm	0.84
Denmark	5.1775-5.1905	5.1860-5.1885	2.0-2.5ore dis	−5.20	4.0-4.5 dis	−3.28
W. Ger.	1.7625-1.7690	1.7560-1.7570	0.50-0.80pf pm	3.81	2.78-2.66 pm	6.17
Portugal	49.75-50.15	49.85-50.05	15-25c dis	−5.52	45-80 dis	−5.00
Spain	66.05-66.15	66.08-66.11	15-30c dis	−4.08	65-80 dis	−4.69
Italy	820.30-824.60	820.30-820.80	1.0-1.5 lire dis	−1.83	5.0-5.75 dis	−2.62
Norway	4.9980-5.0060	5.0040-5.0060	0.35-0.40ore dis	−0.30	2.60-1.85 pm	1.78
France	4.1175-4.1240	4.1200-4.1220	0.35-0.25c pm	0.87	1.15-0.95 pm	1.02
Sweden	4.1835-4.1957	4.1935-4.1945	0.30-0.10ore pm	0.57	1.20-1.00 pm	1.05
Japan	247.10-248.50	246.05-248.15	1.45-1.30y pm	6.65	4.45-4.30 pm	7.05
Austria	12.62½-12.64½	12.63-12.64	7.00-6.30gro pm	6.31	22.0-19.5 pm	6.57
Switz.	1.6325-1.6430	1.6385-1.6405	1.70-1.65c pm	12.26	4.60-4.55 pm	11.16

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

THE POUND SPOT AND FORWARD

Nov. 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1730-2.1920	2.1735-2.1745	0.62-0.52c pm	3.15	1.13-1.03 pm	1.99
Canada	2.5500-2.5755	2.5505-2.5515	0.62-0.52c pm	4.09	1.97-1.87 pm	3.01
Nethlnd.	4.27-4.31	4.27¾-4.28¾	2½-1½c pm	5.61	8½-6½ pm	5.61
Belgium	61.85-62.55	61.90-62.00	18-8c pm	2.52	38-28 pm	2.13
Denmark	11.27-11.39	11.27½-11.28½	1¼-3ore dis	−2.39	2¼-4¼ dis	−1.33
Ireland	1.0300-1.0375	1.0320-1.0330	0.05-0.15p dis	−1.16	0.22-0.32 dis	−1.05
W. Ger.	3.81-3.85½	3.81½-3.82½	3½-2½pf pm	8.64	8½-7½ pm	7.98
Portugal	108.30-108.40	108.65-108.95	par-80c dis	−4.41	35-185 dis	−4.04
Spain	143.55-144.90	143.60-143.70	par-50c dis	−2.09	85-135 dis	−3.06
Italy	1,783-1,801	1,783½-1,784½	3-1 lire pm	1.34	7½-3½ dis	−0.62
Norway	10.87-10.96	10.87½-10.88½	4-2ore pm	3.31	11¼-9¼ pm	3.96
France	8.95-9.04	8.96-8.97	3½-2½c pm	4.01	7½-6½ pm	3.12
Sweden	9.11-9.20	9.11¼-9.12¼	3½-1¼ore pm	2.98	7½-5½ pm	2.74
Japan	537-544	539-540	4.65-4.40y pm	10.06	12.25-12.00pm	8.99
Austria	27.43-27.80	27.45-27.50	25-15gro pm	8.73	63-53 pm	8.44
Switz.	3.55½-3.60½	3.56¼-3.57¼	4⅞-3⅞c pm	14.72	12-11 pm	12.89

Belgian rate is for convertible francs. Financial franc 62.75-62.85. Six-month forward dollar 1.60-1.55c pm, 12-month 2.65-3.65c pm.

CURRENCY RATES

Nov 90	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.599778	0.648399
U.S. $	12	1.99709	1.40391
Canadian $	14	1.59959	1.65959
Austria Sch.	3¾	16.5046	17.8719
Belgian F.	10	37.1596	40.2196
Danish K.	11	6.78082	7.32632
D Mark	6	2.29469	2.48296
Guilder	8½	2.56161	2.77273
French Fr.	9½	6.38782	6.82554
Lira	12	Unavail.	1158.58
Yen	6¼	317.770	344.801
Norwgn. Kr.	7	6.60131	7.04343
Spanish Pts.	9	85.7509	93.0233
Swedish Kr.	8	5.46658	5.90907
Swiss Fr.	2	2.13853	2.31365

CURRENCY MOVEMENTS

Nov. 21	Bank of England Index	Morgan Guaranty changes %
Sterling	69.8	−36.4
U.S. dollar	96.6	−6.6
Canadian dollar	90.9	−17.1
Austrian schilling	157.4	+24.1
Belgian franc	115.7	+14.6
Danish kroner	115.6	+ 3.3
Deutsche mark	158.9	+46.6
Swiss franc	200.6	+80.4
Guilder	124.4	+18.8
French franc	109.0	−6.8
Lira	54.8	−49.8
Yen	114.3	+13.5

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Nov. 21	£	$		Note Rates
Argentina Peso	3374-3394	1550-1560	Austria	27.40-27.70
Australia Dollar	1.9900-1.9940	0.9145-0.9150	Belgium	62.75-63.35
Brazil Cruzeiro	69.11-70.11	31.90-32.25	Denmark	11.27-11.35
Finland Markka	8.16½-8.17½	3.7530-3.7550	France	9.94-9.01
Greek Drachma	80.840-89.778	37.35-37.55	Germany	3.91½-3.84½
Hong Kong Dollar	10.89-10.92	5.0105-5.0125	Italy	1785-1835
Iran Rial	n/a	n/a	Japan	539-544
Kuwait Dinar (KD)	0.603-0.613	0.2784-0.2786	Netherlands	4.27½-4.30½
Luxembourg Frc.	61.90-68.00	28.48-28.50	Norway	10.84-10.99
Malaysia Dollar	4.7590-4.7730	2.1865-2.1875	Portugal	105-115
New Zealand Dlr.	2.2535-2.2395	1.0260-1.0275	Spain	143-152¼
Saudi Arab. Riyal	7.29-7.39	3.3700-3.3740	Switzerland	3.55-3.58
Singapore Dollar	4.7610-4.7630	2.1850-2.1970	United States	2.177-2.185
Sth. African Rand	1.8000-1.8030	0.8285-0.8290	Yugoslavia	46-47½

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU November 21	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.8456	40.2221	+0.94	+0.94	±1.53
Danish Krone	7.36594	7.32840	−0.51	−0.51	±1.635
German D-Mark	2.48557	2.48054	−0.20	−0.20	±1.125
French Franc	5.85522	5.82639	−0.49	−0.49	±1.3675
Dutch Guilder	2.74748	2.77925	+1.16	+1.16	±1.515
Irish Punt	0.669141	0.670615	+0.22	+0.22	±1.665
Italian Lira	1159.42	1160.26	+0.07	+0.07	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Nov. 21	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.174	3.820	539.5	8.965	6.566	4.278	1784.	2.561	61.95
U.S. Dollar	0.460	1.	1.757	248.2	4.124	1.641	1.968	820.6	1.173	28.50
Deutschemark	0.262	0.569	1.	141.2	2.347	0.934	1.120	467.0	0.668	16.22
Japanese Yen 1,000	1.854	4.030	7.081	1000.	16.62	6.613	7.929	3307.	4.728	114.8
French Franc 10	1.116	2.425	4.261	601.8	10.	3.979	4.771	1990.	2.846	69.10
Swiss Franc	0.280	0.609	1.071	151.2	2.516	1.	1.199	500.1	0.715	17.37
Dutch Guilder	0.234	0.508	0.893	126.1	2.096	0.834	1.	417.1	0.596	14.48
Italian Lira 1,000	0.561	1.219	2.141	302.4	5.025	2.000	2.399	1000.	1.430	34.76
Canadian Dollar	0.392	0.855	1.497	211.6	3.514	1.399	1.677	699.3	1.	24.38
Belgian Franc 100	1.614	3.509	6.166	870.9	14.47	5.759	6.905	2880.	4.118	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 14.15-14.25 per cent; three months 15.02-15.12 per cent; six months 14.85-14.95 per cent; one year 13.55-13.65 per cent.

Nov. 21	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lire	Asian $	Japanese Yen
Short term	—	13-13¼	10½-11½	9½-9¾	1-1¼	7⅛-8⅛	12-12¼	—	—	—
7 days' notice	16½-17	13½-13⅝	12⅝-13⅛	9¼-9¾	1⅛-1¾	7⅜-8⅛	12-12¼	12-14	13¼-13⅝	6½-7½
Month	17-17¼	13⅞-13⅞	12¾-13⅛	9⅞-9⅞	2⅜-2¾	8⅛-8⅞	19⅝-19⅞	15½-16¼	13¾-13⅞	7⅜-8¼
three months	17⅛-17⅜	14⅞-15⅛	13¾-14⅛	10½-10⅞	3⅞-4⅛	8⅛-8⅞	16¾-14	16½-17½	14⅛-16⅛	7⅞-8¼
six months	16⅝-16⅞	14⅞-16⅛	13⅝-14	10⅞-10⅞	4⅛-4⅛	8¾-8⅞	13⅞-14⅛	17-19	14⅞-15⅛	7⅞-8⅛
one year	15¾-16	16¾-14	13-13⅜	10-10⅛	4⅜-4½	8⅞-8⅞	13⅞-14⅛	16¾-17¾	13⅞-13⅞	7⅞-7⅞

Long-term Eurodollar two years 12⅞-13⅛ per cent; three years 12¾-12⅞ per cent; four years 12⅝-12¾ per cent; five years 12⅝-12¾ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Dutch rates firm

Interest rates rose sharply in the Dutch money market yesterday, although call money was unchanged at 9⅞-9⅞ per cent. The weakness of the guilder against the D-mark, following the strength of the German currency against the dollar, added to nervousness in the Amsterdam money market, while an increase in the Netherlands trade deficit to Fl 800m in September, from Fl 200m in the same month last year may also have been a factor. The central bank probably intervened to suport the guilder as the Dutch guilder fell against the D-mark, and replaced the Belgian franc as the weakest member of the European Monetary System.

Call money is expected to rise in Amsterdam today on fears about currency developments and money market tightness following a new quota period. On Tuesday the authorities announced a further Fl 3.2bn market borrowing facility and a new special quota of Fl 1.5bn, to replace the previous special loan facility of Fl 2.9bn. The halving of the special quota and the extension of the facility for only 11 days was seen as a move to keep tight control of the domestic market under the nervous conditions existing in the foreign exchange market. Towards the end of this month monetary shortages are expected to increase as seasonal tax payments fall due. One-month funds rose to 11⅛-11⅜ per cent from 10⅛-10⅜ per cent in the Amsterdam market yesterday; three-month to 11⅞-12 per cent from 11⅛-11⅜ per cent; and six-month to 11⅛-11⅜ per cent from 10⅞-11 per cent.

Yesterday afternoon the Dutch central bank announced acceptance of bids totalling Fl 613m for special advances until December 3, at an interest rate of 11 per cent.

PARIS — Call money eased to 12⅛ per cent, after returning to a five year peak of 12⅜ per cent on Tuesday. One-month funds were unchanged at 12⅞-12⅛ per cent, but three-month and six-month eased to 12⅞-12⅞ per cent from 12⅞-13 per cent, while 12-month money was unchanged at 12⅞-12⅞ per cent.

GOLD

Firmer tendency

Gold rose $8½ an ounce in the London bullion market yesterday to $396¼-397¼, although trading remained featureless for a greater part of the day. Dealers could give no clear indication why the metal had risen, but pointed out that sentiment may have been improved in view of the current uncertainties surrounding Iran. The metal opened at $393¼-394¼ and rose to a morning fixing level of $396.80.

In Paris the 12½-kilo bar was fixed at FFr 54,600 per kilo ($412.12 per ounce) compared with FFr 54,600 ($412.06) in the morning and FFr. 53,900 ($403.58) in the morning.

	November 21		November 20	
Gold Bullion (fine ounce)				
Close	$396¼-397¼	(£182.1-182.6)	$388-389	(£178.8-179.5)
Opening	$393¼-394¼	(£180.1-180.6)	$388½-390	(£178-178.7)
Morning fixing	$396.80	(£182.185)	$389.00	(£179.291)
Afternoon fixing	$389.85	(£181.720)	$387.75	(£177.989)
Gold Coins				
Krugerrand	$408½-409½	(£196¾-197¾)	$401-403	(£184¼-185¼)
Maple leaf	$408-419	(£197-191)	$400-405	(£185½-190½)
New Sovereigns	$108½-103½	(£47-48)	$100¾-101¾	(£46¼-47¼)
King Sovs	$110½-111½	(£50½-52½)	$108-109½	(£50-52)
Victoria Sovs	$111-113	(£51-53)	$110-113	(£51½-53)
Fr 20 Napoleon	FFr407-412	(SFr162-164)	FFr402-407	(SFr159.50-161.50)
50 pesos Mexico	$493-498		$484-497	
100 Cor. Austria	$386-388		$379-380	
$20 Eagles	$500-505		$490-501	
$10 Eagles	$262-277		$259-274	
$5 Eagles	$236-248		$224-245	

UK MONEY MARKET

Nervous trading

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

The London money market remained nervous ahead of today's offer of 15 per cent Treasury 1985 stock, although funds were in comfortable supply and the authorities did not intervene.

As third Wednesday in the month it was make up day for the banks, and the discount houses found money on offer at attractive rates.

In the early part houses paid around 10 per cent for secured call loans, but late balances were picked up at 7½ per cent.

Overnight loans opened at 11⅞-12 per cent in the interbank market, quickly easing to 9-9½ per cent, but then touching 11⅛-11⅜ per cent, before falling to 4-5 per cent, and closing within a wide range of 5-10 per cent.

Factors helping the market were: a small decline in the note circulation, and small surplus balances carried forward by the banks.

MONEY RATES

NEW YORK

Prime Rate	15¾
Fed Funds	12¼-12½
Treasury Bills (13-week)	11.89
Treasury Bills (26-week)	12.05

GERMANY

Discount Rate	6
Overnight Rate	7.70
One month	8.26
Three months	9.60
Six months	9.45

FRANCE

Discount Rate	9.5
Overnight Rate	12.125
One month	12.4375
Three months	12.8125
Six months	12.8125

JAPAN

Discount Rate	6.25
Call (Unconditional)	7.6875
Bills Discount (three-month)	8.3125

LONDON MONEY RATES

Nov. 21 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	4-12	—	—	—	10¼-17	7-12	—	—	—
2 days notice	—	—	18⅛-17⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	16⅝-18⅜	17⅛-17¼	—	17⅛	18½-16¾	15⅛-15	—	—	—
One month	17⅛-17	16⅜-17⅛	17¼	18¼-18	17⅛	17⅛	15⅛	16-16⅛	17⅛	17⅛
Two months	17⅛-17	16⅞-17⅛	—	18-17¾	17⅛	—	16⅝	16⅛	17¼	17¼
Three months	17⅛-17	17-17⅞	17	17⅜-17⅛	17⅛	17⅛	16⅝	16⅛-16⅛	16⅛-16¾	17
Six months	16⅝-16⅛	16½-16¾	16⅜-16½	16⅝-18⅜	17⅛	—	—	—	15¾-15⅛	16¼
Nine months	16-15⅞	15⅞-16¼	—	16⅜-16	16⅛	—	—	—	—	—
One year	15⅝-16⅛	15⅛-15⅞	16¼-15⅛	16⅞-15⅛	16	—	—	—	—	—
Two years	—	—	15¼	—	—	—	—	—	—	—

Local authority and finance houses seven days notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 15-15¼ per cent; four years 15-15¼ per cent; five years 15-15½ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16½ per cent; four-month trade bills 16⅞ per cent.

Approximate selling rates for one-month Treasury bills 15¾ per cent; two-months 15⅞ per cent; three-month 15⅞ per cent. Approximate rates for one-month bank bills 17⅛ per cent; two-months 17 per cent; three months 16⅞ per cent; one-month trade bills 17⅞ per cent; two-months 17⅛ per cent and three-months 16⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14½ per cent from November 1, 1979. Clearing Bank Deposit Rates for sums at seven days notice 11½-12 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1842 per cent.

VONTOBEL EUROBOND INDICES 14.5.76=100%

PRICE INDEX	13.11.79	20.11.79	AVERAGE YIELD	13.11.79	20.11.79
DM Bonds	95.97	95.81	DM Bonds	8.082	8.109
HFL Bonds & Notes	94.78	94.77	HFL Bonds & Notes	9.389	9.389
U.S. $ Strt. Bonds	87.50	88.49	U.S. $ Strt. Bonds	11.281	11.105
Can. Dollar Bonds	87.78	88.07	Can. Dollar Bonds	12.175	12.117

JOBS COLUMN, APPOINTMENTS

Four silver-tongued engineers Bankwatch

BY MICHAEL DIXON

DID YOU know that North Sea oil and gas has created a new branch of engineering? I have just been told so by John Weston, who has set up his own company as a result.

Trained as an electrical engineer, he went 10 years ago to work for the U.S. construction group Bechtel and not long afterwards became involved in the early North Sea operations. When, with what seems to me a proper concern for human life, Government started to lay down regulations covering offshore paraphernalia, Mr. Weston was assigned to see that the electrical installations in his domain met the official requirements.

This he did, and was thereupon asked to do the same for the mechanical equipment. When that was done, he was told to ensure governmental approval of the structures themselves.

Then he was seconded by Bechtel to the Matthew Hall group to repeat the whole caboodle on the Claymore drilling and production platform. Whereupon he felt he had become too typecast to return to his old career path, and decided to pursue the new one on his own account. So about four years ago he formed the new "certification engineering" company of Edward J. Weston, with offices in London and Aberdeen.

Since that time, the growth of offshore operations has been impressive, but it has apparently been as nothing to the pullulation of official controls. There is very little lying about, above or under the North Sea these days whose use is subject only to the standard question: will it work? Even from the design stage, the various structures, materials, equipment, systems, and their installation, the noise they generate, and their collective aerodynamic effect—among other things—must be blessed for use offshore by a certificate.

Statutory regulations and official notes for guidance, which tend to be applied as required specifications, already run into several volumes. Mr. Weston expects revisions and new additions soon to double the quantity of "law" which those who make things for and work with them in the offshore industry must comply.

He doesn't much mind, mark you, because his company now has 17 certification engineers plus his co-director and himself serving designers, manufacturers, operators and so on with the aim of seeing that at every stage they work within the official regulations. These are enforced through assessments carried out by independent Certifying Authorities, of which there are six. They are the American Bureau of Shipping, Bureau Veritas, Det Norske Veritas, Germanischer Lloyd, Halcrow Ewbank and Associates Certification Group, and Lloyds Register of Shipping.

At present the Edward J. Weston company is engaged in certification engineering on behalf of seven, mainly production platforms in the British and Norwegian areas of the North Sea. Inquiries are in train with Middle East interests, and Mr. Weston is negotiating with Australian concerns. And the company's founder is now looking for four recruits to be trained as certification engineers, two operating from London and the other pair from Aberdeen.

Provided they are "graduate-type engineers," he says, it matters little which branch they come from. They are likely to be aged 28 to 35.

They will probably be connected with offshore operations as a member either of a major company involved, or of one of the regulatory concerns.

But Mr. Weston is anxious that candidates should not be engineers of the strong, mostly silent sort whose professional conversation consists of barely occasional sentences such as "Aye, happen!", or "We tried it that way once: t'foreman lost his left leg."

Certification engineers must be talented negotiators, he believes. They must be perceptive enough to divine what is going on in an official's mind and when it rejects some particular proposal, to come up swiftly with an alternative schema which overcomes the objection. They must be orally fluent at least in English and, although Mr. Weston does not like to say it, "physically presentable." He adds that the newcomers will be trained in the relevant regulations and in the new branch of engineerings practices, which he thinks can be learned in six to nine months.

Starting salaries of £10,000 upwards, plus bonus related to achievements. Perks are flexible.

Readers interested should obtain application forms from Mrs. Gizela Bingham, Edward J. Weston's personnel manager, at 2 Berkeley Square, London, W1; telephone 01-491 3956, telex 8814892.

Analysts

AN OCCUPATION not altogether dissimilar from the above arises from banks' being no less hesitant to deal with one another, than they are in attending to aspirant cheque-cashiers at lunchtimes. Before establishing dealing lines with a hitherto unfamiliar member of their sober species, banks customarily carry out fairly detailed credit analysis of the same.

Much of the information for these comes from the old boy network, but most institutions these days also require sedulous analyses of the proposed associate's accounts and other assessments presented in formal reports. There being a lot of banks, this process can lead to a lot of overlapping work and, since the potential associates are often distant from one another, difficulty in procuring necessary data.

Which brings us to IBCA Banking Analysis—a subsidiary set up by the First National Bank of Dallas, Texas, to provide such reports both as a service to customers concerned with international bank credit, and as a regular, general aid.

IBCA will provide reports on individual banks, normally based on visits to their senior management, which include ratio calculations drawn from balance-sheets as well as descriptions of ownership, legal status, and managerial ability. It also reports at greater length on the banking systems of particular countries, with emphasis on the risks open to depositors. A third product is regular inter-bank comparisons, at present covering the UK, European countries, and Japan.

Keen to extend its coverage, particularly in the Far East and southward from Canada and the U.S., IBCA is seeking one junior and several senior analysts in London to join the existing team of four.

"As we have our own computer, the job does not require great numeracy, although ability with figures is clearly helpful," says First Dallas's associate director, Ralph Hulbert, to whom inquiries should be addressed (16, St. Helen's Place, London EC3A 6BY; tel. 01-638 6171; telex 888818).

"What is required, however, is fluency in one or more foreign languages—preferably Spanish/Portuguese, and an intelligent aptitude to learn the skills. In addition, it will require the ability to advise very important international financial institutions on the subject matter covered by the analyst."

Salary for the junior recruit is £6,000 or more. The incoming seniors should be worth £10,000 upwards.

There are good opportunities for travel, says Mr. Hulbert, adding: "The analysts report to the managing director and will have the responsibility for a defined geographical area."

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A competitive salary will be complemented by a substantial range of staff benefits which, inter alia, will include low interest housing loan, non-contributory pension scheme with free life assurance, profit sharing and family medical cover.

Please apply in writing with full curriculum vitae to:

B. K. Barber,
Samuel Montagu & Co. Limited,
114 Old Broad Street, London EC2P 2HY.

A large Irish Insurance Company wishes to recruit a young well qualified

Investment Analyst

with some years experience in stockbroking or in an investment institution. The person appointed will join a dynamic investment team and will report directly to the Investment Manager. He/she is probably in the mid twenties aga bracket and a university degree or equivalent is considered desirable.

The company offers an excellent and progressive salary and other benefits which will be indicated at interview.

Applications giving full datails of career to date should be sent in strict confidence quoting Ref. 501/486 to Stephen Spain

C&L

Cooper & Lybrand Associates Limited
Management Consultants
Fitzwilton House
Wilton Place
Dublin 2

Chief Accountant

N.W. London — c. £11,000 + Bonus + Car

We are looking for a qualified accountant who may also have company secretarial experience.

Aged under forty you will already have financial control experience and ideally be fully conversant with a multi-site operation. Added to this should be an in-depth knowledge of computerised payroll and stock systems and preferably an awareness of company secretarial duties. It is certainly a very demanding role and will only suit candidates with strong management abilities and first class financial expertise.

The reward package offered will be made up of a basic salary of c. £11,000, an annual bonus and a two litre company car. Relocation expenses will be met where necessary and good insurance and pension schemes are in operation.

Contact: Liz Diller (021) 236 6971 PER, Fountain Court, Steelhouse Lane, Birmingham B4 6DS (Answering service available out of hours)

PER
Professional & Executive Recruitment

Applications are welcome from both men and women.

A career opportunity with really challenging responsibilities and prospects for a top-class individual:

CREDIT ANALYST/CORPORATE LENDING TRAINEE

Salary up to £8,000 + bank benefits

We are looking for a graduate of a good University, aged around 24, with a logical mind. Their written and oral presentation must be absolutely first rate and they should have personality and a bit of style. Currently, they will be working in a major American bank on a training programme or as a credit analyst and are probably dissatisfied with being a small cog in a huge wheel.

If you fit this description, are thinking of leaving your job and would be interested in joining the London branch of a medium-sized American bank (at present, the London branch has 60 employees but is growing fast) please send details of your background and career to date to:

Box A.6944, Financial Times, 10, Cannon Street, EC4P 4BY.

DATA RESOURCES INTERNATIONAL, INC.

BUSINESS ECONOMISTS

Data resources is the largest company in the field of economic informatioo systems, providing macro economic forecasts computer hosted data bases, and consulting services.

The positions involve taking responsibility for a number of client accounts, as well as promoting Dri Services with prospective clients.

Candidates should have M.A. level ecooomics or equivaleot. Knowledge of other languages an asset. The job location is Bruxelles and involves substantial travel.

Please send curriculum to:
Mrs. R. Suetens,
DRI INTERNATIONAL, INC.,
Avenue Louise 221 - Boite 5, B-1050 Brussels, Belgium.

MANAGEMENT CONSULTANTS

London based — to £11,000

If you are a qualified accountant with solid commercial or industrial experience and you:

* are around thirty years of age
* have first-hand experience in developing and operating financial and other key management control systems
* are seeking to use your ability in fresh and varying challenges
* can communicate effectively with all levels from shopfloor to boardroom
* are willing to travel in the U.K. if necessary, with opportunities for overseas travel

we should like to meet you.

We are a successful firm of management consultants associated with nearly eighty firms of general practice accountants in the United Kingdom and Europe. We provide a wide range of consultancy services and put particular emphasis on the development and installation of control systems, profitability reviews, organisational studies and economic surveys.

Salaries are negotiable, plus good fringe benefits and the prospect of profit sharing. There are excellent career progression opportunities within the firm which offers a first-class working atmosphere.

Candidates, male or female, should apply in confidence, giving full details of career to date, including salaries earned, to C. H. Brown, Annan Impey Morrish, Management Consultants, 40/43 Chancery Lane, London WC2A 1JJ, quoting reference E52.

A.I.M.

Conoscenza della lingua italiana essenziale

Consultant-Cash Management

Chase Manhattan are one of the leading American world banks. From our European headquarters in the City of London we control a large volume of specialised international business.

To aid our expansion, and to enhance our treasury consulting service in Europe, we are now looking for a fluent Italian-speaker with an appropriate commercial or banking background.

Based in London, you will spend 20% of your time collecting financial data and analysing the cash-flow problems of a wide variety of our Italian industrial clients, and potential customers, on their home ground.

Operating independently, you should be a capable communicator who enjoys dealing with a broad range of people. Another language, such as Spanish, would be an additional asset.

We would prefer a man or woman, mid-twenties to mid-thirties, with a degree or Chartered Accountancy qualification and relevant corporate financial experience, ideally in Italy.

An excellent salary, fully in keeping with your experience, will be backed by a very comprehensive range of benefits. These include a Bank car, low interest housing loans, and free medical, pension and personal loan schemes.

Please write with full details to: Shirley Watson, Chase Manhattan Bank NA, Woolgate House, Coleman Street, London EC2.

CHASE

MANAGEMENT ACCOUNTANT

circa £15,000 tax free substantial benefits
SAUDI ARABIA

This is a senior appointment in one of the largest Saudi Arabian companies. The Management Accountant will report to the Finance Manager and be head of a small team.

Responsibilities include:

* management accounting services
* budgetary control, pricing, accounting instructions and systems
* special investigations

Candidates should be qualified accountants and preferably have some overseas experience. Previous import/distribution experience would be an advantage. They must have the capability to set up new systems.

A tax free remuneration package of circa £15,000 is offered.

Additional benefits include free first class furnished modern housing with recreational facilities and utilities, medical assurance and a car allowance. Two year contract with opportunity to extend.

Please send a comprehensive career résumé, including salary history, quoting ref. 1019/FT to W. L. Tait

Touche Ross & Co. Management Consultants

4 London Wall Buildings, London, EC2M 5UJ.
Tel: 01-588 6644

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Director

North West, c£10,500 + quality car

Our client is a profitable medium sized autonomous subsidiary of a major international engineering group; a market leader, it is engaged in the distribution, servicing and marketing of its wide range of engineering based products. Reporting to the Managing Director, responsibility, through a strong management team and a staff of 35 is for all aspects of financial policy, DP., sales administration and management services. This varied and challenging brief will appeal to candidates aged 30 to 40, ACA and preferably graduates. A proven track record in marketing orientated companies is required, ideally with experience in a distribution based operation. A good working knowledge of DP., and strong management skills are both essential. Prospects within the group are excellent; the generous benefits package includes full relocation assistance.

P.A. Adderley, Ref: 11230/FT. Male or female candidates should telephone in confidence for a Personal History Form to: LEEDS: (0532) 448661, Minerva House, East Parade, LS1 5RX.

Management Accountant

A young self-starter with career development in mind

Our client is a large and very fast-expanding financial organisation in London with a £multi-million asset base. Owing to unprecedented growth rate, they have created a new post for a self-motivated Management Accountant.

Reporting to the Chief Accountant, your task will include contributing to the structuring/implementation of a comprehensive computer-based financial forecasting, budgeting and reporting package and problem-solving on existing systems. To achieve these challenging objectives, though, you will build your own small team (from both internal and external manpower resources) which you will then lead vigorously.

So you must be a qualified man or woman (most probably aged under 30), with a minimum of 3 years' commercial experience and a knowledge of computerised accounting systems. Equally important, you will need strong, proven organisational ability plus a natural talent for motivating others.

Our client will respond with a starting salary negotiable up to £12,000 pa plus benefits including, where applicable, assistance with relocation costs. Above all they will offer you every opportunity to win your financial management spurs in an ability-intensive working environment.

Now send full personal and career details to the Account Manager at Bull Holmes Bartlett Limited, 45 Albemarle Street, London W1X 3FE, naming in a covering note any organisations to whom you do not wish to apply and quoting Ref: 540 on envelope and letter. All interviews will be conducted by our client.

Bull Holmes Bartlett

Oil and Gas Industry

Internal Audit

London and Aberdeen

Shell U.K. Exploration and Production is an established leader with long term oil and gas interests in the U.K. Sector of tha North Sea. Present capital investment in the North Sea programme exceeds £4,000 m.

Within the Company's Finance function increasing importance is being placed upon tha role of Internal Audit, which is responsibla for carrying out independent appraisals of control procedures, policy implementation and administrative arrangements as a service to senior management. As such it recommends eppropriate changes to the Company's business operations for tha improvement of control, efficiency and effectiveness.

The development of the Internal Audit role has created vacancies for high calibre staff in both London and Aberdeen. Responsibility for wide ranging projects will provide varied experience of the Company's business, finence systems and of general management problems. There are excellent career opportunities. Candidates must be qualified accountants who are familiar with modem audit techniques and heve obtained good auditing experience, preferably with a leading professional firm.

SENIOR INTERNAL AUDITORS

To be responsible for supervising a small eudit team end preparing draft reports. Candidates should heve at least 3 years' post qualification experience, some of which should have been in a supervisory role, and be abla to demonstrate effective communication skills.

INTERNAL AUDITORS

To be responsible for carrying out a variety of assignments es a member of a small audit taam. Candidates should have at least one year's post qualification experience.

The attractive salary and conditions package includes generous relocation assistance where appropriate. Please write with details of your career to date and stating preference of location to the **Recruitment and Development Officer, (UEPA/112), Shell U.K. Exploration and Production, 1 Altens Farm Road, Aberdeen. Telephone Aberdeen (0224) 882141/9.**

EMA

YOUNG ACCOUNTANT

Major US Bank

London — **to £10,000 + low cost mortgage**

One of the world's leading banking groups, our client has a small and expanding department of high calibre Accountants and E.D.P. professionals. The new Accountant will be a key member of the department which has responsibility for the review of procedures and controls applicable to computer systems.

Career opportunities, either within banking or the financial function, are excellent. Applicants, aged 24-30, (male or female) should have business systems experience, ideally with E.D.P. exposure, gained in a large professional firm. Please telephone or write to David Hogg FCA quoting reference I/1915.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

BUSINESS DEVELOPMENT – ITALY — c. £10,000 + benefits

An international bank seeks a career banker with previous business development/credit experience. The position will be London based, with the prospect of relocation to Italy. Fluency in Italian is essential.

Please contact NORMA GIVEN

CORPORATE CALLING OFFICER — c. £10,000

A major American international bank needs a young high calibre graduate (ideally with an Economics of Business degree) with experience of providing advice to corporate customers on all aspects of Foreign Exchange exposure. There are opportunities for extensive travel and excellent career prospects for the right candidate.

Please contact ROY WEBB

LENDING OFFICER — £9,000–£12,000

Our client is a prominent North American bank, whose growth in the Middle East has led to a requirement for a lending officer. Both senior credit analysts and junior lending officers will be considered, but substantial knowledge of the Middle East is essential.

Please contact BRIAN GOOCH

First floor–entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

C&L

West End **to £10,000 + car**

CHIEF ACCOUNTANT

The Client An expanding and successful wholesaler with a substantial export business and an excellent reputation in its field. Turnover is approaching £5 million. Its American parent is one of Fortune's top 500 companies.

The Job To strengthen the finance function following reorganisation. Reporting to the Financial Director, overall responsibility will be for the accounting area with particular emphasis on cash management and the prompt production of financial and management information to tight deadlines. Future plans include the further development of computer based systems. The person appointed will be closely involved in business planning and performance monitoring.

The Candidate A qualified accountant, preferably under 30 with some post qualifying experience in commerce. Experience of computer based systems and the U.S. reporting requirements would be an advantage. Flexibility and a lively and practical approach are essential.

Résumés including a daytime telephone number to J. G. Cameron. Executive Selection Division, Ref. CF203

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

CASUALTY UNDERWRITER BERMUDA

Ref: 43070

30 years + **Salary $50,000 +**

for International Broking House in Bermuda. The appointee whilst having primarily ten years casualty experience must have spent at least two years underwriting property risks in the London Market.

Free housing accommodation. 3/4 weeks holiday, with air fare paid for self and family.

Please telephone Anthony J. Ovens, M.E.C.I., Director, I.P.S. Group. Tel: 01-481 8111.

FOOD INDUSTRY VACANCIES

Phone for list 0782-29914.
Engineering/Technical/Management/Commerce, Senior Personnel Appts.
Stoke-on-Trent.

Hoggett Bowers
Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Qualified Accountants
North East England

We have an immediate requirement for two dynamic, ambitious qualified accountants who have the drive and personality to quickly develop into senior financial managers. These outstanding career opportunities are with a highly successful multi-million pound public company who see these appointments as a vital part of their expansion plans. The requirement is urgent and a prompt reply is essential.

Project Accountant
ACMA 25-32 c£9,000

An exciting opportunity to participate in the business management of major engineering projects undertaken by this internationally known company. An outstanding young accountant is required who will be involved in all aspects of financial and management accounting for multi-million pound contracts in both the UK and overseas. The ability to work closely with technical and production engineers and to communicate effectively is essential.
Ref: 44039/FT

Management Accountant
ACMA 26+ c£8,000

To manage the accounting operations in this specialist engineering and foundry division which is undergoing rapid and substantial expansion. Responsibility is for the preparation of divisional budgets, production of monthly management and financial reports and supervision of cost accounting. The ideal candidate will have a successful track record in heavy engineering and extensive experience of computerised accounting.
Ref: 44040/FT

The promotional prospects in each position are outstanding. Candidates of senior management calibre will have every opportunity to fully realise their potential. Excellent benefits are offered together with relocation expenses where appropriate.

Please quote appropriate reference. Male or female candidates should telephone in confidence for a Personal History Form to: *A.D. Kelly.* **NEWCASTLE: (0632) 27455,** *33 Grey Street, Newcastle upon* Tyne, NE1 6EE.

Acquisitions Executive

The purpose of this appointment is to speed expansion by acquisition at home and abroad. Practical experience of acquisitions, mergers and share valuations is essential, preferably industry based. The successful candidate is likely to have a financial background, and will join a small department responsible for the initial identification of possible acquisitions and financial appraisal thereof. There is a possibility of working in the U.S.A. for a period if mutually agreeable.

A competitive salary will be paid plus pension scheme, life assurance and other benefits in accordance with the best industrial practice. A company car will be provided.

Please write stating qualifications, full career details and salary progression to:

Head of Personnel,
Marley Tile Company Limited,
P.O. Box 32, Sevenoaks, Kent.

MARLEY

Business Analyst

This is an additional appointment in the Corporation's Financial and Investment Planning Department, based in Glasgow.

The Business Analyst will contribute to the appraisal of new investments by the Corporation working as a member of an inter-disciplinary team on the technical and economic assessment of specific project proposals. The particular responsibility of the Analyst will be to determine the commercial significance of such proposals against oil industry norms and the economic background in which the Corporation operates. There will also be opportunities to participate in economic forecasting and in the design of economic and financial modelling systems.

Applicants should hold an honours degree and relevant post graduate qualifications will be advantageous. Several years experience in the use of financial appraisal techniques including the use and understanding of discounted cash flow analysis is essential. Candidates must have the ability to grasp the essence of complex problems and communicate their solutions to management effectively both orally and in written presentations.

An excellent remuneration package is offered, including pension and free life assurance schemes. Where appropriate, generous assistance will be given with relocation.

If you are interested in this opportunity, please contact:

The Recruitment Officer,
The British National Oil Corporation,
150 St. Vincent Street,
Glasgow G2 5LJ.
Telephone: 041-204 2525.

BNOC **The British National Oil Corporation**

MCS Robertson & Scott
Offices in London, Manchester, Glasgow, Edinburgh, Aberdeen, Darlington, Hereford, Birmingham. Offices & affiliates worldwide. This post is open to both men and women.
Advertising • Marketing • Public Relations

Your legal background could lead to business management.

c. £8000 Nr. London

Our client is a leading international company, with businesses throughout Europe, Australasia and the U.S.

As a result of restructuring its U.K. operation it is seeking applicants for the position of Business Manager. The job offers considerable opportunity for developing a business career in this country and will involve a certain amount of foreign travel.

Applicants will probably be aged between 24-30 and will have a legal background. The job is likely to interest a law graduate currently developing a business career or a recently qualified solicitor.

Starting salary would be c. £8000 and could be more for an exceptional candidate. Excellent non-contributory benefits are also provided.

To apply please send detailed C.V., stating age, education and experience to date in strict confidence, quoting ref. T.175, to: Brian Toole, Director, MCS/Robertson & Scott, 113 Tottenham Court Road, London W1, enclosing a list of any companies to whom your application should not be sent.

U.S. INTERNATIONAL BANK
PERFORMANCE ANALYSIS AND SYSTEMS DEVELOPMENT

City **ACA/ACCA/ACMA** **To £8,500 + Mort./Benefits**

Our client is the London Branch of a major U.S. International Bank with a successful world wide operation. Promotions have created a need for a young accountant to lead a highly effective unit dealing with the analysis and interpretation of the Bank's performance for senior management. Experience of computer systems development will be an advantage but training will be given where appropriate.

Candidates should be qualified accountants, in their mid/late 20's and have experience of operating successfully in a demanding environment. An analytical approach, enthusiasm and the personality to liaise effectively at all levels are vital. This role offers an ideal introduction to all aspects of international banking with excellent career prospects.

For further information and a personal history form, please contact **Ian Tomlinson or Tony Forsyth, 410 Strand, London WC2R 0NS, tel: 01-836 9501, quoting reference 2686.**

DOUGLAS LLAMBIAS
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
and at 121 St. Vincent St., Glasgow G2 5HW (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

DLA

TOP LEVEL TAX CONSULTANT?
ASPIRING TOP LEVEL TAX CONSULTANT?

One of the largest and best-known London based tax consultancies with a well-established client list is planning further substantial expansion in the 1980s.

Applications to join the multi-discipline team of consultants are invited from qualified accountants, lawyers and Inspectors of Taxes who have several years' practical experience in corporate and personal tax.

The environment is challenging, and the career prospects and earnings potential are exceptional.

Please write with full personal and career details, marked Private & Confidential, to:

Alan Rook, FCA, Director
Financial Techniques /Planning Services/ Ltd.
Hillgate House, 26 Old Bailey, London EC4M 7HS

FINANCIAL CONTROLLER
EUROPEAN DIVISION

Zilog Zilog

Join the microcomputer revolution with an industry leading manufacturer of microcomputer components and systems.

Zilog, an affiliate of Exxon Enterprises, Inc., with rapidly expanding European business activities and the recent establishment of a European Division is seeking to fill the new senior position of Division Financial Controller.

Applicants should be Chartered Accountants with 5 years of experience in financial functions in an international industrial environment, and have a University degree. Knowledge of French and/or German would be favourably considered. Age is not a limiting factor.

Substantial salary will be commensurate with qualifications and experience.

If you have the qualifications and are a self-motivating, energetic person who wishes to join a dedicated team of professionals in the exciting microcomputer industry, write in confidence to:

Mr. A. Piedra, General Manager
ZILOG (UK) LIMITED
Babbage House, King Street
Maidenhead, Berks SL6 1DU

BLUE BUTTON

Akroyd and Smithers Ltd., a stock jobbing firm covering most markets, are seeking candidates to train in their Blue Button Scheme, with the eventual objective of attaining senior status in the company. They should have received a sound broad-based education and show personality and initiative and will be rewarded with an immediate competitive salary, profit sharing and other benefits. Please reply in confidence, in writing, with full details to:

E. B. J. Carpenter, Akroyd and Smithers Ltd.
Austin Friars House
Austin Friars
London EC2N 2EE

EUROPEAN INVESTMENT BANK

The European Investment Bank, a public autonomous institution within the European Economic Community invites applications for the position of

Head, General Secretariat Department

part of the Bank's General Administration Directorate.

This is a senior management function reporting directly to the Secretary-General of the Bank. The successful candidate will be responsible for five Divisions: Secretariat, Organisation and Methods, Information and Public Relations, Translation and the Representative Office of the Bank in Brussels. In addition to administrative management, an important aspect of the position is the maintenance of relations with the various Boards and Committees responsible for the policy and administration of the Bank, other Community Institutions, Finance Institutions and other International Organisations.

Candidates, preferably between 40 and 50 should have a university education, an extensive knowledge of the techniques of financial operations and banking organisation and several years of managerial experience gained in a bank, finance institution or equivalent.

Fluency in French and/or English is required with a good working knowledge of the other language. Knowledge of a third community language would be an advantage.

A very attractive salary will be offered at the level of a senior official of an Institution of the European Communities.

Candidates, who must be nationals of Member Countries of the EEC, should apply in writing, enclosing a detailed curriculum vitae and a recent photograph, together with a list of any publications, to:

European Investment Bank
Personnel Department
B.P. Box 2005
Luxembourg.

Applications will be treated in strict confidence.

هكذا من الأصل

DISBURSEMENT ACCOUNTANTS

Felixstowe **£9,000 neg.**

A busy shipping line requires experienced disbursement accountants to analyse and prepare voyage accounts.

An excellent salary will be paid together with relocation expenses.

Call Keith Sieloff on 01-248 6321; outside offices on Norwich (0603) 738313.

Personnel Resources Limited 01-248 6321
Financial Appointments Hillgate House, Old Bailey, London EC4M 7HS

Managing Director
Textiles

Cheshire **Circa. £14,000 + Car**

Our client is a market leader in the supply of specialist textile products to the garment manufacturing and associated industries. This key appointment demands the ability to continue the profitable growth of an autonomous subsidiary company with modern production facilities and an annual turnover of £4 million.

The ideal candidate, aged 35-45, will have gained in-depth manufacturing experience, probably in the garment or making up industries. Proven general management skills, commercial ability and financial awareness are essential criteria for the successful candidate.

The attractive remuneration package will be supported by relocation expenses where applicable.

Male or female candidates should send their detailed curriculum vitae quoting Ref: 293/FT.

Wickland Westcott & Partners
Management & Executive Recruitment/Selection
24 Manchester Road, Wilmslow, Cheshire, SK9 1BG.
Telephone: (0625) 532446 (24 Hours)

The P-E Consulting Group Appointments Division
1 Albemarle Street, London W1X 3HF Tel: 01-499 1948
PE

Recruitment Consultants

P-E, a long established and successful international management consultancy, seek consultants to join the *Appointments Division* which is London based with Regional offices in Solihull, Glasgow and Newcastle.
These are new appointments, created to meet the increasing demands from our wide range of clients in this country and overseas. Skills in marketing, production, accounting and data processing are sought.
Successful candidates will have experience of management and of recruitment. An outgoing personality and the knowledge to assess people and situations accurately are important, together with the ability to communicate both orally and in writing.
Candidates should be aged 35-50 and possess relevant graduate level qualifications preferably in a numerate discipline.
An attractive remuneration package will be negotiated, reflecting both the importance of the position and the past achievements of the candidates appointed.
Men and women should write in confidence to Stewart Mitchell or telephone (24 hour answering service) for a personal history form quoting reference M/207/7.

Deputy International Circulation Manager

FRANKFURT

The Financial Times' successful expansion into Europe at the beginning of 1979, has now made it necessary to employ a Deputy to the International Circulation Manager.

It is anticipated that the successful candidate will assist the International Circulation Manager in the control and development of the distribution network, the management of the subscription department and budgeting and budget control.

Additionally a flair for organisation and administration and a strong linguistic ability in English and German—other languages, particularly French, would be an advantage—are required for this exciting new European operation. Promotion for the successful candidate will be rapid.

Please apply to:
Richard Varey,
International Circulation Manager
Financial Times
or

Bracken House
10, Cannon Street
London EC4P 4BY

Frankenallee 68-72
D-6000 Frankfurt am Main 1
Federal Republic of Germany

CHIEF ACCOUNTANT

London W.1. Emoluments c. £11,000 + Car

Our client is a publicly quoted property company with an extensive portfolio.

The appointment offers an ideal opportunity for a candidate with ability and personality to achieve involvement in depth in a compact organisation, with excellent prospects of elevation through commitment and results.

Candidates should be qualified accountants, probably aged 28-35, who have gained post-qualification experience in the profession or commerce/industry. They should possess a pleasant manner and have the ability to communicate with management and staff at all levels.

For further information and a personal history form, please contact **Peter Dawson or Nigel V. Smith, A.C.A., 410 Strand, London WC2R 0NS, tel: 01-836 9501, quoting reference 2683.**

DOUGLAS LLAMBIAS
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
and at 121 St. Vincent St., Glasgow G2 5HW (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)
DLA

Investment Portfolio Management

GULF LOCATION

We are a growing equity oriented investment company located in the Gulf. We are seeking an equity portfolio manager with a minimum of five years experience managing U.S., U.K. and European equities. Additional qualifications include an advanced degree in economics or finance.

The compensation package will provide a tax free salary in the £12,000 to £15,000 range with a bonus scheme based upon performance.

If you feel your career could benefit by a foreign posting, and you seek a new challenge, we encourage you to send your curriculum vitae to us without delay. Respond to Box F.1177, Financial Times, 10 Cannon Street, EC4P 4BY.

UNIVERSITY of STIRLING

PROFESSOR OF ACCOUNTANCY

c. £12,862 (under review)

Stirling University is Scotland's most recently *established seat of* learning with University status. While the bright modern building and campus are set in one of the most attractive rural scenes one could hope to find, the beautiful and *historic town of Stirling,* and one of the most desirable residential areas in the country are but a short drive away.
Our present *Professor in Accountancy,* J. M. S. Risk, BCom, PhD, CA, FCMA, JDipMA, FCIS, FInstAM, FBIM, FIMC, is due to retire in 2 years' time. We are now seeking to make a second appointment within the professional range. The person selected will, meantime, share responsibility with Professor Risk for all aspects of the department.
Persons with appropriate qualifications and experience are invited to apply, before 31 December, 1979, naming three referees, to The University Secretary, University of Stirling, Stirling FK9 4LA, from whom further particulars are available.

THE STOCK EXCHANGE

requires a Market Price Reporter to work on the Market floor as part of a team responsible for collecting share price information and updating an on-line computerised information system.

Applicants, preferably aged between 25 and 35 years, must have a sound knowledge of the securities industry and be familiar with all aspects of dealing procedures.

Commencing salary will be in range £4,000-£5,000, depending on experience. Fringe benefits are attractive and include a non - contributory pension scheme.

Please telephone or write to Barbra Coulston, Personnel Department, The Stock Exchange, London, EC2. 01-588 2355, Ext. 8058.

FINANCIAL CONTROLLER

West End c. £9,000

Our client is a small but growing U.K. sherry and wine shipper, the subsidiary of an old-established Spanish sherry producer in Jerez.

They wish to recruit a Financial Controller, preferably qualified and with some commercial experience, to control their finance function with particular emphasis on the provision of significant and accurate information to the U.K. management and the Spanish parent, including budgetary and cash control. The Controller will also have responsibility for secretarial and administrative duties. Systems at present are manual.

The ideal candidate will be aged 28 to 35, used to working with a small management team. Adaptability, versatility and a creative attitude, together with a good working knowledge of Spanish, are vital. The salary is negotiable around £9,000 per annum plus a non-contributory pension scheme.

Applicants, male or female, should write in complete confidence giving full details of previous experience and current salary to J. W. Hills, Annan Impey Morrish, Management Consultants, 40/43 Chancery Lane, London, WC2 quoting reference C 1608.

A.I.M.

FINANCIAL CONTROLLER

Motorola is well known as an international leader in the *design and manufacture of* advanced technology electronic components and products.

The Automotive Products Division of Motorola has a vacancy at it's *Stotfold location for a Financial Controller.* The products of the Automotive Division include advanced electronic engine management, ignition and in-car entertainment systems.

The Financial Controller will be responsible for all financial aspects of the Automotive Products Division *activities within the* U.K. and will be a member of the company's senior management team.

To fill this key position we seek a qualified Accountant with a *broad financial background at senior management* level. In addition, experience in cost accounting and computer systems with a multi-national company would be an added advantage.

A highly competitive salary and benefits package including a car will be offered.

All interested applicants should send full details or write or telephone for an application form to:
**Michael Stein, Personnel Manager,
MOTOROLA LIMITED,
Taylors Road,
Stotfold, Hitchin, Herts.
Tel: Hitchin (0462) 730661.**

MOTOROLA
AUTOMOTIVE PRODUCTS DIVISION

Director of Ship Charters

Leading USA Flour Milling Company

Our client, Seaboard Allied Milling, one of the leading flour millers in the USA, wishes to recruit a well-qualified *Director to start up an in-house charter brokerage operation* in the United States.

Based in New York, the Director of Charters will utilize *the company's own expanding shipping fleet in effective* co-ordination with outside time-charters and spot availabilities to charter handy-size, dry bulk carriers for shipments *of grain abroad.*

Prior experience in grain shipping or other bulk carrying is essential, together with a good sense of market timing and the ability to structure and negotiate sound, advantageous contracts. In addition, he must counsel the company's senior management with regard to current charter market conditions to facilitate an expeditious and cost-effective movement of grain commodities.

A compensation package, which fully reflects the successful candidate's well established track record in this field is offered, and the individual with exceptional performance will have a clear-cut opportunity for long-term potential leading to general management responsibilities.

Full career details including current salary level should *be sent in confidence to:—*

Box No: A6975, Financial Times
10 Cannon Street, EC4P 4BY

POST OFFICE STAFF SUPERANNUATION FUND

EQUITY DEALER

The Post Office Staff Superannuation Fund is the largest pension fund in the United Kingdom with total assets valued in excess of £2,500 million and a net cash flow of £400 million per annum.

The Fund has a vacancy for an Equity Dealer to work under the Chief Dealer. We are seeking an experienced dealer for this demanding and interesting position which requires flair and enthusiasm. Terms and conditions of employment are competitive.

Applications with curriculum vitae should be submitted to:—

C. M. Gilchrist
Chief Dealer — UK Core Portfolio
Post Office Staff Superannuation Fund
Equitable House
47-51 King William Street
London EC4R 9DD

C&L

DIRECTOR OF INDUSTRY

Corby New Town

Following the steel works closure in 1980, Corby New Town is planning a major programme of attracting other industry to the area.

To spearhead this effort, the post of Director of Industry is to be made jointly by Corby District Council and the Commission for the New Towns.

The work will embrace a wide range of marketing, financial and planning activities, and the maintenance of close liaison between central government, local authorities, trade unions, and industry will be crucial to its success.

A record of success in industrial marketing is the prime requirement, allied to an understanding of the interface between government and industry.

Terms are for discussion, but salary will not be less than £15,000.

Résumés including a daytime telephone number to E. H. Simpson, Executive Selection Division, Ref. SF624.

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

Controller European Operations

c. £15,000

CACI, a highly respected, profitable, rapidly growing multinational research service and analysis company required an experienced man or woman with a high level of financial and management skills to become controller for its European operations. Founded in 1962, CACI has grown at the rate of 50 per cent compounded annually since conception.
Our requirements are:
* Chartered accountant
* Five year's corporate accounting experience, preferably with a multinational company
* Management experience
* Thoroughly experienced with computerized accounting systems and knowledge of electronic data processing
* Familiar with tax and financial requirements of the U.K. and the continent.

The person selected will be in full charge of European financial operations reporting to the Senior Vice President.
Although based in London, some travel will be required as the successful candidate enjoys the pace and opportunities in a dynamic organisation staffed with dedicated professionals. Salary for the position is negotiable around £15,000 p.a. depending on experience and benefits which are attractive, include profit sharing.
For an early interview, please send a comprehensive c.v. to:

John Baker,
Senior Vice President,
CACI
289 High Holborn,
London WC1, England.

Amsterdam * Bermuda * Dublin * Hamburg * London * Washington * Los Angeles * Las Vegas

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Manager - Management Accounting

North East, up to £12,000 + car

Our client is a profitable division of a house-hold name in heavy engineering, with a sizeable turnover, a very healthy fraction of which represents export. Reporting to the Financial Director the function will have responsibility for a compact team. The ideal candidate will be a qualified accountant aged 30-40, mature and demonstrably promotable, who will have gained sound costing and management accounting skills preferable in a heavy engineering environment. The fringe benefits and prospects are excellent.

Mrs. I.M. Brown, Ref: 19183/FT. Male or female candidates should telephone in confidence for a Personal History Form to: **LONDON: 01-734 6852,** *Sutharland House, 5/6 Argyll Street, W1E 6EZ.*

£ Financial Reporting $

West London to £7,500

Our client, a leading international computer manufacturer is currently seeking a young accountant to co-ordinate their tightly scheduled financial reporting.
You will be responsible for 3 staff producing monthly financial results and management information using highly sophisticated computerised systems; dollarisation of sterling results is a key part of your function.
Ideally you should have experience of large company finance procedures, and be near the end of your professional accounting qualifications. An ambitious, self motivated personality is also important; you can expect to benefit from the groups policy of rapid internal promotion.
Please telephone or write quoting Ref. RG/2831.

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

MCS / Robertson & Scott

Offices in London, Glasgow, Edinburgh, Aberdeen, Manchester, Birmingham, Newcastle and Dusseldorf. Affiliates worldwide.

Open to both men and women.

Recruitment Division: Advertising. Search. Selection.

Project Analysts
(Finance)
up to £10,250

Our client, a major financial organisation in Scotland, is now making key appointments to a small specialist team with the important task of investigating and assessing industrial investment projects.

The individuals appointed will have a wide scope of investigation covering the collection and analysis of information relating to enquiries for loan and equity finance, the assessment of company performance and the appraisal of market and sales projections. As there is a considerable need for the continual up-date of information, you will also be involved in the collation of data in current projects, present production ranges, production facilities and management structures.

Ideally candidates should possess an appropriate degree or professional qualification, allied to a high degree of initiative and analytical ability. A good knowledge of investment proposals or projects is essential.

Conditions of employment are those normally associated with a progressive organisation. Relocation expenses will be paid where appropriate.

Please apply in writing giving full career details and quoting Reference R49975 to:

The Manager,
Confidential Reply Service,
MCS/ROBERTSON & SCOTT,
MCS House,
23 Park Circus,
Glasgow G3 6AS.

All letters will be opened, acknowledged and forwarded to our client. Please list separately any companies to which your application should not be sent.

All applications should be submitted within 14 days of the appearance of this advertisement.

Management Information Accountant

Service Industry

This successful and expanding international group provides a wide variety of services to both industry and householders. It is a market leader in its field. Turnover £70m. with over 5,500 employees.

Responsible to the Group Chief Accountant, the Manager's prime task will be to provide a complete financial and management information reporting service both to the Board and to Management.

Candidates, probably in their thirties, will be qualified accountants with experience of controlling management information systems for diversified profit centres.

Salary negotiable up to £11,000. Location Surrey/Sussex border.

Please send brief details – in confidence – to David Bennell ref. B.43608.

This appointment is open to men and women.

United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.

MSL

Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Managing Director

The company, part of a public group, has a name second to none in weatherproof clothing for leisure and work, both of which are high-growth markets. The last two years have seen rapid progress to sales in excess of £5m. with healthy profits making an appreciable contribution to the resurgence of the group.

The next phase in an aggressive growth plan means advancement for the present Managing Director, which creates this opportunity to take full profit accountability.

There is a capable and enthusiastic team, with the financial and manufacturing resources to exploit present and new markets.

Candidates, in their middle 30's to early 40's, must have had relevant management experience, including profit responsibility, in manufacturing industries ideally but not necessarily serving similar consumer markets.

Salary around £17,500, possibly more, plus excellent benefits, with generous re-location assistance to the North Midlands.

Please send career details – in confidence – to D. A. Ravenscroft ref. B.25495.

This appointment is open to men and women.

United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.

MSL

Management Selection Limited
International Management Consultants
474 Royal Exchange Manchester M2 7EJ

£6,000 to £9,000
ACCOUNTANCY APPOINTMENTS

APPEAR EVERY TUESDAY
PHONE SALLY STANLEY 01-248 5597

Assistant Accountant
Personnel Officer

REQUIRED FOR SEMI-PROFESSIONAL ASSOCIATION

Sound working accounting ability combined with pleasant manner essential. Good salary and congenial conditions offered. Full details, including present salary, to Director of Finance and Administration, The Country Landowners' Association, 16, Belgrave Square, SW1.

International Recruitment Specialists for the Commodity Markets

COMMODITY Graham Stewart APPOINTMENTS

INTERNATIONAL GRAIN TRADER

An old-established international grain shipping company requires an experienced Senior Trader to be based in London. The person appointed will have a number of years' experience trading North American grain and/or oilseeds. In addition, it will be an advantage if the candidate possesses a sound knowledge of EEC regulations and is conversant with the chartering of vessels.

The successful candidate will receive a substantial salary commensurate with the responsibility of the appointment and is unlikely currently to be earning less than £15,000.

Please write or telephone Mr. Graham Stewart or Mr. Colin M. Stanton regarding this position.

Egmont House 116 Shaftesbury Avenue London W1
Tel 01-439 1701

The Bank of Nova Scotia
LONDON

We require the following Dealing Room personnel:

FOREIGN EXCHANGE DEALER

Aged 23-30 with a minimum of 5 years' dealing experience in a competitive and active trading room with a preference towards spot trading.

MONEY MARKET DEALER

Aged 23-27 fully conversant with all aspects of Foreign Exchange and Deposit activities with a minimum of 3 years' experience in an active trading room.

The above positions will both carry attractive salaries together with the normal fringe benefits associated with a major International Bank.

Applicants should write with full details to:

THE BANK OF NOVA SCOTIA
62/63 Threadneedle Street, London EC2P 2LS
Attention: Mrs. C. Goggin

INTERNATIONAL STOCKBROKING

London Member Firm, with an established international business, is seeking experienced sales persons and analysts for its expanding Australian and Far-Eastern departments.

The positions offer considerable potential for the right people and an attractive financial package will recognise the qualifications and abilities of the successful applicants. *Replies in confidence to:*

BOX A6977, FINANCIAL TIMES
10 CANNON STREET, LONDON EC4P 4BY

CJA
RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH
Tel: 01·588 3588 or 01·588 3576
Telex No. 887374

Attractive and important positions. Partnership prospects exist.

MAJOR SPECIALIST FIRM OF CITY STOCKBROKERS WITH EXPANDING ACTIVITIES

OIL ANALYST

CITY £12,000-£18,000

Open to Candidates aged 28-40 who have acquired either a minimum of three years' stockbroking experience and not less than three years working in oil sector analysis, or three years working in either an oil company or other organisation specialising in analysis of the oil industry. Responsibilities will cover the analysis of oil companies on an international basis with special emphasis on the North Sea and European Continent and the provision of research material to institutions and establishing a working relationship with Fund Managers. Reference OASE 3950/FT.

CHEMICALS ANALYST

£10,000-£14,500

Open to Candidates aged 26-35 with a minimum of three years' analytical experience in the chemicals sector. Responsibilities will be similar to the above except that this position relates to the analysis of U.K. and European chemical companies. Reference: CASE 3951/FT.

INSTITUTIONAL SALES EXECUTIVE

£12,000-£18,000

Applications are invited from Institutional Sales Executives aged 25-35 who have established useful ties with U.K. Institutions, and may now be employed either by a Stockbroker, Merchant Bank, Insurance Company or other financial organisation. Responsibility will cover the selling to U.K. Institutions of mainly European and domestic chemical and oil shares. A persuasive and a polished manner are important. Reference: ISE 3952/FT.

Remuneration as quoted by way of a high salary and bonus is negotiable, plus non-contributory pension, and assistance with removal expenses. Applications in strict confidence, quoting the appropriate reference number, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374.

Financial Director
Lloyd's Broker c£20,000

Early in 1980, a medium sized Lloyd's Broker, based in London, is to appoint a new Financial Director as part of the top management team.

The new Financial Director requires vision, experience and energy for the planning of growth for the next decade. He or she will be assisted by a Financial Controller and a Chief Accountant.

The successful candidate will be aged around 35, with Lloyd's experience and a realistic approach to management and the financial requirements of the market.

Terms are for discussion around a base salary of £20,000 per annum. The total remuneration package is unlikely to be a limiting factor.

Please write or telephone, in complete confidence, quoting *reference 303.*

Roland Orr
Management Consultant
35 Piccadilly, London W1V 9PB, Telephone 01-734 7282
Telex 262236/299914.

Senior Banking Appointment
Chief Manager — Hong Kong
up to HK$300,000 plus allowances

Our client, one of the UK's major financial institutions, wishes to recruit a highly experienced banker to set up and manage a new office in Hong Kong.

The Chief Manager will be fully responsible for generating business within the following geographical area:
Hong Kong, China, Korea, Philippines and Japan

The major emphasis will be on loan syndication, Eurocurrency business, project and trade finance, and a limited range of retail services will also be developed. In the first instance, some specialist staff will be transferred by the Bank but this will not inhibit the Chief Manager from building up his own team of managerial and support staff.

Candidates, preferably in their late 30's or early 40's, must be capable of demonstrating a successful track record in the marketing of financial services to the public and private sectors, and previous experience of working in Asia is a pre-requisite.

Personal qualities of drive and diplomacy are essential, as the successful candidate will be required to operate within a highly competitive, multi-racial environment.

Conditions of service are excellent. In addition to a generous basic salary, free furnished housing will be made available and normal expatriate provisions for very senior overseas appointments will apply.

Please write, enclosing comprehensive curriculum vitae and quoting Ref. No. HK1263 (Hong Kong) to:

PA Management Consultants Ltd
12th Floor, Shell House, 24 Queens Road, Central, Hong Kong.

PA

A member of PA International

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

New Business Manager–Factoring

City, up to £8,500+car

Our client, one of the largest invoice factoring services in the U.K., is looking for a Regional Manager for their London operation. He or she will be responsible for following up enquiries, assessment of potential client companies, and the negotiation and completion of contracts. The ideal candidate will be aged between 28-32, finance/marketing orientated, and able to work without supervision. A comprehensive training will be given. The prospects and fringe benefits are excellent.

Mrs. I.M. Brown, Ref: 19182/FT. Male or female candidates should telephone in confidence for a Personal History Form to; **LONDON: 01-734 6852,** *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Q.S.
BANKING RECRUITMENT CONSULTANTS

FX Manager for leading American Bank	c £20,000
Credit Analyst/Loans Admin (with Spanish)	c £8,000
Training Officer (with Bank experience)	£ negotiable
Senior Eurobonds Settlements	c £7,000
Management Trainees with AIB (25-28)	to £6,500

please contact Mike Pope or
Sheila Anketell-Jones
236 0731
30-31 Queen Street EC4

SENIOR BOOKS EDITOR

Financial Times Business Publishing is to appoint a Senior Books Editor who will be responsible for developing and expanding the books programme.

The successful applicant will have experience of editing and of producing a number of titles, and will have the ability and self-confidence to organise a books' department. Although not essential a knowledge of business publishing would be an advantage.

Salary circa £6,500.

Please send a Curriculum Vitae to:

Elizabeth Brown, The Personnel Officer
Financial Times Business Publishing Ltd
Greystoke Place, Fetter Lane, London EC4.

YOUNG CHARTERED ACCOUNTANT

REINSURANCE BROKING

City of London £9-10,000

Our client, e substantiel firm of reinsurance brokers, is strengthening its accounting team in preparation for succession changes.

The person eppointed will report to the finance director and will participate in all aspects of the financiel accounting and company secretariel functions. This will include lieison with the client accounting department end the continuing development of computerised raporting systems.

Applications ere invited from chertered eccountants eged under 30 who wish to work in e smell team and ere able to compile and present well considered reports for a demending management. Some commercial experience would be desirable, especially in the insurance industry.

This position offers good career development prospects with an attractive remunaration packaga which will include a company car on the first promotion.

Please eddress brief personal and career details in confidence to Douglas G. Mizon, quoting reference F152.

E&W Ernst & Whinney Manegement Consultants
11 Doughty Street, London, WC1N 2PL.

Job Search OPPORTUNITIES

- 75% of Executive Appointments over £10,000 p.a. are unpublished and go to those with the best contacts.
- As Europe's most experienced Job Search organisation we can provide you with all the facilities you need to build up contacts and locate your next employer.
- Our expert career advisory service is essential to executives who become vulnerable to the current fast changing market conditions.
- Telephone us for a cost free assessment meeting.

Percy COUTTS & Co.
01-839 2271
140 Grand Buildings, Trafalgar Square, London WC2.

International EDP Auditor

We wish to engage an International Internal Auditor, *to be resident in the United Kingdom, based in* Portsmouth.

Responsible through the Senior International Auditor in Portsmouth, to the Chief Auditor, Home Office, Zurich, the successful candidate will undertake computer audits in Europe (including UK), U.S.A., Canada and Australia. European involvement will be dependent on expertise in foreign languages. Visits to each country will normally be for periods of between 1 and 4 weeks duration and will occupy about half the working year.

Applicants, who may be male or female, may have either an accounting or computer background. If accounting, they should have at least 5 years experience of which 2 should have been in an EDP environment. If computing, *they should have at least 4 years experience* in systems analysis and programming, of which 18 months should have been at a senior level, preferably with financial systems.

Experience of using audit or other packages to extract and control *data would be an advantage*, as would experience of IBM equipment. The ability to speak French or German, or willingness to learn, would be a considerable asset.

Salary will be negotiable up to £12,000 depending on experience and could perhaps be more for an exceptional candidate. Additional benefits include subsidised mortgage, non-contributory pension and free Life Assurance. Re-location expenses, if necessary, will be paid by the Company.

For full details please write giving a career history to:-

**Mr. H.E. Kemm, FCA, MIMC,
Senior International Auditor,
Zurich Insurance Company,
P.O. Box 20,
Zurich House,
Stanhope Road,
Portsmouth, Hants PO1 1DU.**

Zurich Insurance

C&L

Jeddah up to £16,000 tax free + benefits

DEPUTY TREASURER

Our client is a major Saudi owned group engaged in importing and distributing over 100,000 private and commercial vehicles per year.

In recent years the company has been assisted in its development programme by a substantial number of expatriate staff at senior and middle management levels.

The person appointed to this new post will assist the Financial Controller in all aspects of cash management.

Applications are invited from professionals with recognised accounting, business and banking qualifications, who have spent some years in the treasury or corporate finance department of a large company. Fluency in Arabic would be helpful but is not essential.

Starting salary will be at the approximate Rials equivalent of £16,000, including a discretionary bonus. Other benefits include a car and free furnished accommodation.

Résumés, which will be acknowledged and forwarded to our client unless a covering letter gives contrary instructions, to E. H. Simpson, Executive Selection Division, Ref. SF625 at the address below.

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

Financial Analysis

Bucks. to £12,000 + car

The Europeao head office of a leading U.S. manufacturiog group seeks a Financial Analysis Maoager. This new role, in essence internal consulting, will cover the financial and marketiog aspects of strategic planning and management practice for six territories, iocludiog product profitability, pricing, investment and performaoce review.

Candidetes, aged 26-32, could either be queli-fied accouotants or numerate graduales (particularly MBAs) with several years' relevaot experieoce in a sophisticated profit-orieotated eovironmeot. European language(s) desirable but oot essential.

For a fuller job descriptioo write to Joho Courtis & Partners Ltd., Selection Consultaots, 78 Wigmore Street, Londoo W1H 9DQ, demoo-strating your relevaoce briefly but explicitly and quoting refereoce 7046/FT: This is ao equal opportunity appointmeot.

JC&P

FINANCIAL DIRECTOR

c. £16,000 + Car
South East

A large autonomous sub-group of a major British international company, requires a *Chief Financial Officer. Reporting to the Chief Executive, the post has overall* accounting responsibility through a small department, as well as, directing the accounting policies and standards of the individual trading units which comprise the sub-group.

This is an exciting new opportunity because the Financial Director will work closely with the Chief Executive on developing and presenting growth/acquisition strategies to the group main board.

Immediate objectives will be:- to review and strengthen the financial structure *thereby improving the total information system; develop the relationships with* line management to achieve a better understanding and more sensitive use of financial techniques; operate a close and effective liaison with the group's central financial team, covering consolidations, treasury, planning and budgeting; maintain and develop the experienced and well qualified department, which has been built up over recent years.

This calls for a personable chartered accountant, aged early 30's with a good professional background, followed by several years blue chip experience in industry and commerce. Ideally, this experience should embrace both large and smaller units in the service sector, with departmental responsibility and a man management content.

Benefits include negotiable salary, car, relocation, pension etc. There is some overseas travel.

Candidates, male or female, should send a detailed career history to the consultant advising on this position quoting reference G113/FT.

JWT Recruitment Ltd
Executive Recruitment & Selection
40 Berkeley Square London W1X 6AD 01-629 9496

£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on November 20 1979

Job Title	Salary	Location	Advertiser
Business Analyst	£8,500 + Car	W London	Robert Half
Financial Controller	£9,500	Essex	Robert Half
Business Development	£9,000 + Benefits	C London	Robert Half
Young Qualified Accountant	£8,500	W London	Robert Half
Young Accountant	£8,000	City	Robert Half
Young Chartered Accountant	£8,000 + Benefits	W. London	Extel Recruitment
Chartered Accountant	£8,000/£9,000	London-based	c/o Extel Recruitment
Newly Qualified	to £8,500	London W1	EMA Management Personnel Ltd.
Disbursement Accountants	£9,000 neg.	Felixstowe	Personnel Resources
Assistant Accountant/ Personnel Officer	—	London SW1	The Country Landowners Association
Financial Accountant	up to £8,500	West End	RSVP Recruitment
Financial Controller/ Company Secretary	£9,000	Manchester	Shirley Institute
Accountant	£7,000	London	Trinity College of Music London
Chartered or Certified Accountant	—	Bermuda	Ring 01-601 4182

For the full text of the advertisement please see the Financial Times of that date or telephone Sally Stanley on 01-248 5597

Bank Accounting

An international bank in the City has a vacancy for an experienced accountant, male or female, who will become their Assistant Chief Accountant.

Candidates must have obtained substantial relevant experience, preferably in an international bank. A professional qualification, either accountancy or banking, is expected.

A five-figure salary is envisaged. Other benefits are competitive for City banks and include profit-sharing.

Applications will be treated in strict confidence. Please write initially detailing age, experience, qualifications and present salary to Mr. E. Cotter.

GSP
Golley Slater and Partners Limited
42 Drury Lane, London WC2B 5RN

Senior Marketing Executive

Automotive Parts c.£12,000 + Car

A major force in the automotive parts end accessories after-care market, this internationel company is continuing to increase its turnover and market share. They now require a really first-class marketing professional to lead them into the 1980's.

The post will initielly have full marketing responsibility for part of their range. *Success in this will lead* to promotion to the top marketing and sales position of this £multi-million division. The products are marketed through an established dealer network and an increasing range of other outlets. You will develop future plens and strategies, control all aspects of marketing and liaise closely with the field sales force.

Male or female, you will probebly be in your thirties and will certainly have good all-round marketing experience. A self-starter, you will clearly demonstrate the *ability to lead and motivete a first-class professional team and to develop medium and long-term strategies.* Experience in the eutomotive parts industry is not essential but could be a plus.

Based in the Greater London area, an initiel remuneration package (including bonus) of c£12,000 is envisaged plus car end other benefits. This will, of course, increase substantielly on promotion. If you hava the qualities to seize this exciting opportunity, send full details to:-

Alan Endicott.
Plumbley/Endicott & Associates Limited,
Executive Search Consultants,
Premier House, 150 Southampton Row,
London WC1B 5AL.

Financial Analysis

London area c. £12,500 plus car

Our clients are e well-known group with diverse interests in the U.K. and overseas. The group is decentralised and business performance is monitored and analysed by e small Head Office finance team. The opportunity has arisen for e qualified accountant or business graduate, aged around 30, to join this team and become involved with a significant segment of the Group's operations. He (or she) should have had experience at e senior level in e substantial manufacturing-based environment and be able to deal confidently at the highest levels of management. Ref. 1506/FT.

Apply to R. A. Phillips, ACIS, FCIL 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA. Tel. 01-636 0761.

Phillips & Carpenter
Selection Consultants

MERCHANT BANKING MANAGER
CURRENCY SECURITIES

Old-established City Merchant Bank with widely-spread international and domestic business wishes to appoint Manager to develop and supervise portfolio of fixed-interest foreign currency obligations of all types. Familiarity with syndicates, techniques and available issues in the Eurobond Market is necessary, but the Bank is not paticularly active in that market. Emphasis is primarily on short-term and medium-term quoted and unquoted paper—certificates of deposit, promissory notes, shorter-term maturities in euro-and foreign domestic bonds and the like.

Applicants should accordingly have extensive experience of practices and the assets available in the international euromarkets and national capital markets, and of the banks, investment bankers and brokers operating in them.

Salary, etc. will be for negotiation according to experience—but will be fully commensurate with the appointment, which is at a senior management level.

Applications, which will be treated in strictest confidence, should be addressed to:

Mr. P. S. Thring, Messrs Ernst and Whinney
Lynton House, 7 Tavistock Square, LONDON WC1H 9LS
marked " Private and Confidential " and indicating the name of any bank to which the application should not be forwarded.

CITY MERCHANT BANK:

Investment Managers

Two further investment managers are required to join the team responsible for managing institutional and private client portfolios. Applicants should be under forty and have several years' experience in investment management.

Investment Analyst

A vacancy exists for an analyst with at least two years' experience in securities markets, which need not necessarily have been in investment research.

Successful candidates for these positions will have excellent opportunities for advancement, including the possibility of overseas posting.

Good salaries with worthwhile fringe benefits, including a mortgage facility in due course, will be offered. Applicants of either sex should apply in writing enclosing curriculum vitae to:-

D.W.J. Garrett, Robert Fleming & Co. Limited,
8 Crosby Square, London EC3A 6AN. Tel: 01-638 5858.

ROBERT FLEMING

Internal Auditor

W1. c.£8,500 p.a. plus car

Due to a promotion we now heve e vacancy for e *qualified* Accountant, preferably with e degree, to join the Internal Audit team of *this* oil products marketing company which has a turnover of over £450 million per annum.

The Internal Auditor will work in e department responsible for a programme of positive end constructive appraisals of the operational and financial systems end control procedures of the Group, *including* subsidiaries, terminals and regional centres.

The successful *candidate will have the* ability to work effectively with all levels of management and in view of the level of experience required, is likely to be aged between 25 and 35. He/she must be cepable of demonstrating e high degree of personal motivation, initiative end flexibility end be eble to communicate effectively at all levels. Adequate aoditing experience either in the profession or industry is important end knowledge of computer systems and *operations* would be a distinct advantage.

The *salary is negotiable according* to quelifications end experience and fringe benefits include a company car free life assurance, a contributory pension scheme and four weeks' holiday per year.

Please telephone or write for an application form to Anne Lumgair, Personnel Officer, Total Oil (Great Britain) Limited, 33 Cavendish Square, London W1. Tel. 499 6393 Ext. 281.

TOTAL

Thinking of changing your job? (But not quite sure?)

For one reason or another, many of our clients think they should make a change, but are not quite sure. Not sure of themselves, of their potential, of their "marketability" or of their ultimate goal.

We are a group of highly qualified specialists who guide senior people towards a new direction in their careers, towards optimum personal and financial rewards. If you're a senior executive or professional person and you're not quite sure, one of our professional Career Advisers will be happy to discuss the matter with you, confidentially and without charge or obligation.

Telephone us on 01-637 2298 now. CHUSID help you to help yourself to a new way of life.

FREDERICK CHUSID & COMPANY LTD.
The Consultants in Executive Evaluation and Career Advancement
London W.1. Phone 01-637 2298
Paris: 116 Av des Champs Elysees 75008. Phone 574-25-20.
We are not an Employment Agency

Early Dow fall on Iran crisis

AS THE Iranian crisis deepened, Wall Street went into a broad retreat yesterday morning in another active business.

The Dow Jones Industrial Average was down 9.13 more at 800.09 at 1 pm, whilethe NYSE All Common Index receded 34 cents to $58.75 and falls outpaced rises by a three-to-one majority. Trading volume reached 26.46m shares, compared with 25.18m at 1 pm on Tuesday.

The White House issued a new stern warning to Iran about harming U.S. hostages after Tehran radio broadcast a new threat that the remaining U.S. Embassy personnel would be killed if the U.S. took military steps to free them.

Analysts said in view of the deteriorating political situation, traders would rather not hold long positions over the next few days, particularly with the market closed today for the Thanksgiving holiday and trading expected to be light tomorrow as many investors take a long weekend.

General Motors slipped ¼ more to $50 as the second most active stock. Ford Motor, in third place, were unchanged at $30⅝ after the recent fall. Ford announced additional temporary plant closures and layoffs.

Chrysler dipped ⅛ to $6½. Manufacturers Hanover said it would extend no further credit to Chrysler.

Marathon Manufacturing declined ⅞ to $42½ after Penn Central cut its bid for Marathon by 75 cents to $47.25 a share. Penn shed ⅜ to $20½.

Indications were that Kaiser Steel would open between $26 and $29, off from $35½ on Tuesday. The company said talks to sell some steel-making assets to Nippon Kokan had ended.

Exxon reported its first well in the Southeast Georgia Embayment, off Florida, was a dry hole and lost ⅜ to $57⅜.

THE AMERICAN SE Market Value Index reacted 1.56 to 219.07 at 1 pm on volume of 3.29m shares (2.79m).

Hormel lost 1½ to $94½ despite sharply higher fourth-quarter net profits and hinting that it may raise the dividend.

Canada

Apart from the Golds sector, which advanced 46.6 to 1,937.4 on index at noon, Canadian markets were also predominantly lower in active early dealings yesterday. The Toronto Composite Index lost 10.9 to 1,620.8 at mid-day, while Oils and Gas retreated 29.9 to 3,491.1, Metals and Minerals 12.8 to 1,413.2, Papers 4.21 to 147.69 and Banks 1.29 to 276.27.

Genstar, which raised its dividend, gained ½ to $23½.

Tokyo

Concern over developments in Iran and Saudi Arabia left the market sharply lower, although trading remained light as many investors stayed on the sidelines. Volume, at 200m shares, was unchanged from the previous day.

The Nikkei-Dow Jones Average retreated 60.11 to 6,30.60 and the Tokyo SE fell 3.09 to 440.27, while declines on the First Market section outnumbered gains by 403 to 178.

A sharp rise in the outstanding balance of margin debts on the three major stock exchanges also made investors cautious about trading. According to the Tokyo Stock Exchange, the margin debts on the three major stock markets in Tokyo, Osaka and Nagoya increased to an all-time high of about Y1.288 trillion at the end of last week. The upsurge was mainly attributable to the recent wave of buying for export-orientated issues, triggered by the yen's depreciation, a broker said.

Trading House stocks declined, partly on concern over the possibility that if the present political situation in Iran deteriorates further, the petro-chemical project undertaken in that country by a Japanese group faces trouble. Mitsubishi lost Y21 to Y879, Marubeni Y18 to Y432 and Mitsui Y9 to Y379.

Oils further declined, with Nippon Oil shedding Y90 to Y1,990.

Motor issues were particularly depressed, Honda Motor falling Y18 to Y643, Toyota Motor Y16 to Y805 and Yamaha Motor Y60 to Y1,080. Matsushita Electrical receded Y15 to Y689.

Paris

News of disturbances spreading through the Islamic world pushed share prices down sharply across the board in active dealings.

However, the worries over events in Iran and now Saudi Arabia and Pakistan caused a substantial flow of liquidity into Gold and Gold Mines shares. Among the latter, Buffelsfontein, Amgold and Western Deep were especially sought on the Paris bourse.

Michelin "B" fell FFr 20 to FFr 827 and Bouygues FFr 19 to FFr 541.

Germany

Apart from Munich, where shares were narrowly mixed after very quiet trading, all the West German bourses were closed yesterday for the Day of Repentance holiday.

Australia

Interest rate worries kept Finance, Real Estates, Motors and Retailers subdued, but Oils continued to pick up strongly and Minings wire firmer-inclined.

In the Oils sector, Woodside Petroleum moved ahead 13 cents to A$1.76. BHP, which has oil drilling interests, advanced 26 cents to A$9.48.

Higher world prices for gold and copper gave a boost to some Mining issues. MIM strengthened 12 cents to A$3.14, Bougainville Copper 15 cents to A$2.20 and Western Mining 11 cents to A$3.15.

Thiess took legal action in a last-ditch effort to fend off the CSR take-over with the result that the shares of both companies were easier in the market. Thiess lost 8 cents to A$6.38 and CSR 2 cents to A$4.18. Elsewhere, in Coas, however, Utah gained 12 cents to A$3.92.

The battle by News to win control of Herald and Weekly Times was taken on to the trading floors of the Eastern Exchanges yesterday. Herald opened the day with the announcement of a record profit, a three-for-two share split and the promise of more money in shareholders' pockets. When trading opened, Herald unleased its brokers into the market bidding A$4.05, up 5 cents on the News offer. Herald brokers stood in the market for most of the morning, but dropped out around the time the Trade Practices Commission announced it was taking a hand, a move which came as no surprise as the proposed merger would concentrate about 75 per cent of all Australia's newspapers and magazines under one management.

News brokers were also in the market for Herald shares. At the close, there was a final flurry which took the Herald price up to A$4.15 for a gain of 30 cents. About 2.5m shares changed hands on the day.

Parkes Property Trust gained 28 cents to A$2.35 on rumours of a take-over bid being launched for the company.

Amsterdam

Wall Street's poor overnight performance and the Middle East situation left the Amsterdam market generally weaker.

Royal Dutch were outstanding Fl 151.20. AKZO were Fl 1.00 lower at Fl 26.00 despite improved third-quarter results.

Johannesburg

Gold shares advanced in active trading in line with higher bullion prices. Randfontein rose R1.75 to R58.50, Grootvlei 30 cents to R7.30, and Deelkraal 20 cents to R5.00.

Mining Financials also firmed, with Government Areas adding 10 cents to R1.75 and Johnnies 50 cents to R53.50.

Hong Kong

Stocks generally lost ground on further nervous profit-taking against the background of uncertainty surrounding events in Iran and Saudi Arabia. The Hang Seng index receded 10.15 to 709.94.

The absence so far of any announcements regarding rumoured property mergers also served to dampen sentiment.

Hong Kong Land lost 40 cents to HK$ 12.10, Hutchison Whampoa 10 cents to HK$ 8.00 and Jardine Matheson 20 cents to HK$ 13.20.

Closing prices and market reports were not available for this edition.

NEW YORK

Stock	Nov. 20	Nov. 19	Stock	Nov. 20	Nov. 19	Stock	Nov. 20	Nov. 19
Gluett Peaby	8⅝	8⅝	Global Marine	27⅛	27	Melville	[illegible]	[illegible]
Coca Cola	31¾	32¾	Goodrich (BF)	19⅞	20¼	Memorex	18⅞	22⅜
Coca Btl. NY	5⅛	5¼	Goodyear Tire	12¼	12¾	Mercantile Stra.	39	39
Colgate Palm	14⅛	14¼	Gould	24	23⅝	Merck	69⅛	68½
Collins Aikman	7½	7⅝	Grace	35¼	35⅜	Meredith	31⅞	31⅜
Colt Inds.	44½	44½	Graingor (WW)	55⅝	35⅝	Merrill Lynch	17¾	18

Stock	Nov. 20	Nov. 19	Stock	Nov. 20	Nov. 19
St. Paul Cos.	37⅜	37¼	Wrigley	75¼	75⅛
St. Regis Paper	27¼	27¼	Wyly	4⅝	4¼
Santa Fe Inds.	50¼	61¾	Xerox	59	59⅜
Santa Fe Intl.	31⅞	31⅞	Yellow Frt Sys	15	15½
Saul Invest	6⅛	6⅝	Zapata	22¼	22¾
Saxon Inds.	6¾	6	Zenith Radio	9⅝	9½
Schering Plo	29⅛	29¼	U.S. Trs 4% 1980	98	98

CANADA

Stock	Nov. 20	Nov. 19
Abitib	17¼	17⅛
Agnico Eagle	6¾	7
Alcan Alumn	43¼	43¾
Algoma Steel	28	27¾
Asbestos	37¾	38

BELGIUM (continued)

Nov. 21	Price Frs.	+ or —
Petrofina	5,370	—50
Royale Belge	5,200	—50
Soc Gen Banq	2,905	
Soc Gen Belge	1,565	+10
Sofina	3,300	
Solvay	2,370	

HOLLAND

Nov. 21	Price Fls.	+ or —
ACF Holding	77	—3
Ahold	79.7	+0.1
AKZO	25	—1
ABN	327.6	—2.5
AMEV	94.7	—0.3
Amro Bank	87.5	—0.8

AUSTRALIA

Nov. 21	Price Aust. $	+ or —
ANZ Group	3.70	
Acrow Aust.	1.00	
Allstate Expl.	0.37	
Ampol Pet.	1.16	
Ass. Pulp Pap.	8.35	
Audimco	0.27	
Aust Cons Ind.	2.06	+0.1

JAPAN (continued)

Nov. 20	Price Yen.	+ or —
Makita	1,020	+20
Marubeni	432	—18
Marudai	607	—3
Marui	651	—19
Matsushita	689	—15
M'ta Elec Works	496	—4
M'bishi Bank	363	+2

Indices

NEW YORK—DOW JONES

	Nov. 20	Nov. 19	Nov. 16	Nov. 15	Nov. 14	Nov. 13	1979 High	1979 Low	Since Compil't'n High	Since Compil't'n Low
• Industr'ls	809.22	815.27	816.70	821.55	816.55	814.08	897.61 (5/10)	796.67 (7/11)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	75.76	75.92	75.98	75.81	75.95	76.99	86.19 (15/6)	75.44 (8/11)	—	—
Transport.	240.46	241.72	241.53	241.38	237.75	236.75	271.77 (15/6)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	103.21	102.80	102.35	102.17	101.45	100.95	109.61 (25/6)	98.24 (24/10)	163.32 (20/4/69)	10.55 (28/4/42)
Trading Vol 000's†	35,200	33,220	30,280	32,480	31,120	29,460	—	—	—	—

•Day's high 820.14 low 805.18

Ind. div. yield %	Nov. 15	Nov. 9	Nov. 2	Year ago (approx)
	6.14	6.28	6.11	6.90

STANDARD AND POORS

	Nov. 20	Nov. 19	Nov. 16	Nov. 15	Nov. 14	Nov. 13	1979 High	1979 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	116.20	116.91	116.57	116.74	115.90	115.34	124.49 (15/10)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	103.69	104.23	103.79	104.13	103.38	102.94	111.27 (5/10)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Nov. 14	Nov. 7	Oct. 31	Year ago (approx)
Ind. div. yield %	6.41	5.58	5.42	6.27
Ind. P/E Ratio	7.59	7.42	7.57	2.54
Lon Gov. Bond Yield	10.37	10.59	10.29	8.63

	Nov. 21	Nov. 20	Nov. 19	Nov. 16	1979 High	1979 Low
AUSTRALIA						
Sydney All Ord. (1936/38)	671.80	685.67	685.77	679.55	699.92 (9/11)	545.72 (2/1)
Metals & Minls (1936/38)	3741.53	3663.30	3676.01	3790.98	4031.38 (2/11)	2587.34 (2/1)
AUSTRIA						
Credit Aktien (2/1/62)	65.42	65.58	65.87	65.85	66.55 (5/11)	61.63 (2/8)
BELGIUM						
Belgian SE (31/12/63)	100.48	100.71	100.60	101.12	108.47 (5/10)	98.80 (3/1)
DENMARK						
Copenhagen SE (1/1/73)	89.38	89.50	89.21	89.56	97.48 (25/7)	88.32 (9/11)
FRANCE						
CAC General (29/12/61)	101.5	102.6	101.9	101.40	113.1 (8/10)	82.4 (16/2)
Ind Tendance (29/12/78)	107.1	108.7	108.5	108.90	122.8 (4/10)	92.7 (22/2)
GERMANY						
FAZ-Aktien (31/12/58)	(c)	225.43	226.35	226.11	265.60 (18/1)	223.75 (7/11)
Commerzbank(Dec.1953)	(c)	716.9	710.2	712.00	859.60 (16/1)	704.50 (7/11)
HOLLAND						
ANP-CBS General (1970)	85.4	89.5	85.9	86.00	94.20 (24/1)	83.40 (7/11)
ANP-CBS Indust. (1970)	67.6	68.3	69.3	68.30	85.80 (24/1)	66.90 (7/11)
HONG KONG						
Hang Seng Bank(31/7/64)	709.94	720.09	719.89	728.01	744.45 (14/11)	493.83 (2/1)
ITALY						
Banca Comm. Ital (1972)	82.24	82.14	88.19	88.43	88.66 (4/10)	68.58 (2/1)
JAPAN						
Dow Average (16/5/49)	6308.60	6368.71	6374.97	6367.11	6590.65 (29/9)	5925.87 (10/4)
Tokyo New SE (4/1/68)	440.27	443.36	444.00	444.50	465.24 (29/9)	435.16 (15/7)
NORWAY						
Oslo SE (1/1/72)	134.52	133.71	132.59	133.38	134.62 (13/11)	74.48 (16/1)
SINGAPORE						
Straits Times (1966)	396.70	398.15	397.08	400.55	425.55 (6/10)	348.34 (23/2)
SOUTH AFRICA						
Gold (1958)	(u)	426.4	436.4	420.6	435.4 (12/11)	228.40 (17/4)
Industrial (1958)	(u)	424.7	425.7	426.5	426.5 (15/11)	270.50 (2/1)
SPAIN						
Madrid SE (29/12/78)	81.38	81.71	(o)	82.46	111.86 (9/3)	81.38 (21/11)
SWEDEN						
Jacobson & P. (1/1/58)	341.26	343.75	346.95	348.34	401.34 (6/2)	331.57 (24/9)
SWITZERLAND						
Swiss Bank Cp. (31/12/58)	303.9	301.9	302.6	303.16	329.16 (2/5)	294.00 (3/1)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. o Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Occidental Pet.	[illegible]	[illegible]	[illegible]	Williams Co.	[illegible]	[illegible]	[illegible]
Ford Motor	[illegible]	[illegible]	[illegible]				
IBM	[illegible]	[illegible]	[illegible]				
General Motors	[illegible]	[illegible]	[illegible]				
Sears Roebuck	[illegible]	[illegible]	[illegible]				

N.Y.S.E. ALL COMMON

Rises and Falls	Nov. 20	Nov. 19	Nov. 16
Issues Traded	1,881	1,902	1,871
Rises	250	778	569
Falls	894	666	875
Unchanged	487	478	427
New Highs	33	50	43
New Lows	73	53	49

MONTREAL

TORONTO Composite

Indian tea output lower

LATEST STATISTICS for Indian tea production, covering the period January to September this year, show a net fall in output of 27m kiloe.

As there was inadequate rain in October, and production in North Indian gardens virtually stops in November and December, it is likely that tha Indian tea crop this year will be appreciably lower than in 1978.

Tha January to September figures were as follows: North India 295.17m kilos compared with 330.63m kilos; South India 101.33m kilos (92.74m); net decline 27m kilos.

Industry Sources confirm that the trend of exports so far bas been opwards. A figure of 200m kilos may be reached.

In the first quarter of the present financial year, shipments to Britain totalled 3.88m kilos, compared with 3.84m kilos in the same period of 1978/79.

Olive oil group to meet next week

MADRID — The International Olive Oil Council is to hold its next session bere from November 26-30 under the chairmanship of Khairi Sqaier of the Libyan Jamahiriva.

The session will cover the world olive oil economy, including production, consumption and international trade, the council said.

The olive oil community is awaiting implementation of a new international agreement for 1980, which was negotiated in Geneva last March.
Reuter

Soviet grain

WASHINGTON — The Soviet Union bas bought nearly 500,000 tonnes of additional U.S. grain for the coming year, the U.S. Agriculture Department said.

Officials said the new orders included 252,000 tonneo of corn and 212,000 of wbeat for delivery in the present grain year.

The sales boosted to more than 9.9m tonneo the amount of grain the Soviet Union bas ordered from the U.S. for 1979-80.

U.S. sugar pact decision prompts market rally

BY RICHARD MOONEY

NEWS THAT the foreign relations committee of the U.S. Senate had approved U.S. participation in the International Sugar Agreement encouraged a sharp rally in world sugar futures yesterday.

The March position on the London futures market ended tha day £4.575 higher at £177.675 a tonne.

Following the committee's decision, the question of U.S. ratification of the sugar pact will be passed on to the full Senate for action.

London sugar dealers said additional background support for the rise was provided by the renewed steadiness in gold and nervousness over internotional tensions. But they said the uptred was hampered by the rise in sterling.

Mr. Michael Beckett, chief executive of the British Sugar Corporation, yesterday launched a savage attack on EEC Agriculture Commissioner, Finn Gundelach's plan to cut back Britisb beet sugar production.

As the Commissioner's proposals for cutting 1m tonnes of the Community's annual sugar prodnction surplns were being considered by the Commission in Brussels, Mr. Beckett told reporters in London that it would mean a 30 per cent cut in UK sugar production and would cost the jobs of 2,500 British workers.

The BSC chief said it was unfair that Britain should be expected to bear the brunt of the cuts wben it was the only Community member to be consuming significantly more sugar than it produced.

An across-the-board cut of 7 to 8 per cent might be acceptable, Mr. Becket said, but be doubted that even this was necessary.

He said the plan was nnlikely to be accepted by the Council of Ministers, bnt if it was it could force the closure of eight of the corporation's 17 sugar beet processing factories. It would also seriously affect the cost structure of whot remained of the organisation.

Mr. Beckett said fina) agreement could not be reached until February at the earliest, and was not likely until May or June. By then the British beet crop would already be in the groun, so the cut would probably not be spplied until 1981.

● Paris—France's sugar beet harvest is now virtually complete following generally favourable weather during the last 10 days, trade sources said, reports Reuter.

The timing of the barvest is much in line with other years, or slightly in advance, they said.

Most sources are maintaining their estimates for a crop, exclnding overseas departments, of about 3.75m tonnes white value against 3.74m last year, although some are tending to edge slightly higher.

Weaker metal prices forecast

BY JOHN EDWARDS, COMMODITIES EDITOR

A GENERAL weaker trend in metal prices in 1980, as a result of reduced demand, is predicted in the latest issue of Metals Analysis and Outlook.

But it adds that the timing and severity of any decline in metal prices, following on the cut in consumption, could be seriously distorted by growing speculative investment in commodities by disillusioned holders of other assets.

The Outlook warns that should an increase in speculotive interest result in a metals price explosion, this would seriously undermine prices at some future date since speculators are not long-term stock holders. This could also seriously affect the general level of business confidence.

Based on supply-demand fundamentals, the Outlook predicts that annual average "industrial" metal prices will be lower in real terms next year than in 1979, with the possible exception of zinc.

It claims that those markets where producers can exercise a degree of control — aluminium nickel and zinc — should fare best. Little change is expected for aluminium next year, in spite of a predicted small increase in stocks. Zinc prices are expected to be higher, and nickel will possibly show a small improvement.

In contrast, copper and tin prices are forecast to be lower, and lead "substantially lower."

However, it is estimated that the fall in metals consumption is unlikely to result in the kind of build-up of surplus stocks experienced in the last recession in 1974-75. So metal markets seemed destined to enter the next economical cyclical upturn in a more healthy state.

Little change in gold and platinum prices next year is expected, and silver is forecast to move only slightly lower. However, it is pointed out that precious metals being subject to the strongest speculative interest are least predictable and possibly the most vulnerable.

On the London Metal Exchange yesterday, trading activity was generally subdued. Copper lost ground, inspite of the Zambian-Rhodesian war fears, on lack of buying interest.

Chinese farming plan

OSAKA — The Japanese company Nichimen and Dekalb Agresearch of the U.S. plan to reclaim land in China for soyabean and maize crops.

The Japanese trading house said it had already reached basic agreement with China's Ministry of State Farms and Land Reclamation to reclaim about 20,000 hectares of wasteland in Heilongjiang Province in northeast China, to produce soyabeans and maize for export to Japan.

According to the present plan, the U.S. and Japanese companies will spend about Y3bn on the first stage of the project starting next year to produce about 30,000 tonnes of soyabean annually and an unspecified amount of corn in 1981.

Another Y3bn will be invested in the second stage beginning in 1982, Nichimen said.

Dekalb is to provide advanced agricultural technology and the Japanese company machinery and equipment for reclamation.
Reuter

U.S. winter wheat area up 10%

WASHINGTON — U.S. winter wheat acreage in 1980 should be up about a tenth from 1979's 71m acres, the U.S. Agricultural Department said.

The new crop futures markets show a favourable price picture for next year and this will help encourage farmers to expand winter wheat acreage, it said.

Most of the increase will come from land that was left unused in last season's 20 per cent set-aside programme — about 7m acres.

"Continued favourable prices and demand next spring could further expand spring wheat acreage at the expense of other crops," the report added.

In Brussels, European Community Ministers failed to agree on a Commission proposal to raise the EC's cereals food aid to the Third World by 28.2 per cent to 1.65m tonnes in 1979-80.

The Commission asked the Council for a mandate to offer this rise independently when talks on a new International Wheat Agreement resume.
Reuter

Brazil soya talks planned

RIO DE JANEIRO — Officials from the Foreign Trade Department of the Banco Do Brasil (Cacex) and crushers plant to meet on November 29 to begin talks on sales policy for the next soyabean crop, CACEX sources said.

The crop year begins in March, 1980, and initial estimates from the Commission for Financing Production (CFP) show the next crop could be between 14.8m and 15.5m tonnes, up from 10m to 10.3m for the last crop.

World silver stocks fall

WASHINGTON — World stocks of refined silver were 600,000 troy ounces lower in October than the previous month, the Silver Institute reported.

U.S. refiners' stocks totalled 5.6m ounces on October 31, about unchanged from a month ago. Stocks of all other known refiners were 5.2m ounces, down 600,000 from those held on September 30, the institute said.
Reuter

MALAYSIAN RUBBER

Best season since Korean War boom

BY WONG SULONG IN KUALA LUMPUR

THIS YEAR is turning out to be an excellent season for Malaysia's rubber industry, the nation's biggest employer and producer of the top export crop.

Results from plantation companies indicate they should be reaping the best profits since the spectacular Korean War rubber boom.

Externally, the sharp OPEC price rise during the year bas strengthened natural rubber's position against synthetics, which are derived from oil.

The conclusion of the International Rubber Agreement in Geneva last month has given a psychological boost to the industry, which, in spite of the present good run, is only too conscious that its fortunes could deteriorate rapidly if recession bites hard in the West.

Locally, the recent Government's budget and the launching of its dynamic rubber production policy reflect the authorities' growing awareness that the industry needs strong official support before it can expand.

The recent three-year wage agreement between the estates and the National Union of Plantation Workers provides a stable environment for the industry to push ahead without fear of rough industrial weather or outrageous wage demands.

Demand for natural rubber has been strong, with good intake by the U.S., the Soviet Union and China.

The continuing conflict in Kampuchea and the prospect of its spilling over to Thailand has contributed to the strong buying support, pushing prices to new heights.

Starting from 238 cents (Malaysia) a kilo in January, the RSS 1 (dry, smoked sheet) price rose to a new post-Korean War high of 325 cents on June 5.

In the first eight months, rubber prices averaged 274.7 cents a kilo, representing a 25.5 per cent increase over the corresponding period last year.

For the whole of the year, the Government expects rubber exports to increase by 3.5 per cent to 1.67m tonnes. Export receipts are expected to increase by 25 per cent to more than 4.5bn ringgit.

Government revenue is projected to grow even more spectacularly. Export duty from rubber is now estimated at 1,149m ringgit, or more than double earlier estimates.

Rubber planters have won their campaign that the taxation should ease now that the Malaysian economy has diversified sufficiently to be less dependent on the commodity for its revenue.

Accordingly, the Government has revised the steeply progressive export duty. The maximum duty is now 50 per cent when the rubber price is above 90 cents a pound or 198 cents a kilo.

Based on current output and prices, the industry should gain 206m ringgit a year from paying less duty.

The Malaysian Government is confident natural rubber has a bright future in the 1980s and 1990s. As a policy it wants to maintain the nation as the leading exporter.

It was concerned that rubber output bad not been growing over the past four years. Its dynamic production policy is aimed at boosting rubber output by 5 or 6 per cent a year.

Emphasis would be on the smallholders, who produce 60 per cent of the rubber. They would be given higher replanting and fertiliser subsidies and encouraged to adopt planting techniques used in the big estates.

The authorities are studying ways to check the conversion of rubber land to oil palm and cocoa. Since 1960 private estates have converted 500,000 acres of rubber to the better paying crops.

The reduction in the export duty for rubber and the increase in duty for palm oil are the first steps in this direction.

Flexibility urged in copper contracts

BY PAUL CHEESERIGHT

INTERNATIONAL COPPER producers were urged yesterday to introduce greater flexibility into their selling contracts with consumers.

The timing of contract negotiations should be staggered and should not always have to run to a calendar year, said Mr. E. J. Jordan, commercial director of Enfield Rolling Mills, which accounts for about 25 per cent of UK copper imports.

He was speaking at a London symposium on the availability of strategic minerals organised by the Institution of Mining and Metallurgy.

His main criticism was directed ot the insistence of producers on negotiating contracts for the following year during September and October.

It was difficult to see what was special about the calendar year, Mr. Jordan said. Why did producers negotiate with all the consumers at the same time? Often the negotiations come down to a question of take it or leave it.

This year, Enfield bod still not completed negotiations with some producers who were reluctant to talk about the tonnage to be supplied and the terms of sales, Mr. Jordan said.

Enfield, which uses an average of 400 tonnes of copper a day, buys its supplies from all the main copper exporting countries. It does not want to be forced to take supplies on a calendar basis.

In the longest calendar month there were 23 working days, Mr. Jordan pointed out. In the shortest, allowing for holidays, there were less than half that amount.

Copper supply contracts normally specify the total tonnage to be shipped during a year split into monthly deliveries. But copper shipments do not always arrive according to the terms of the contract.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Marginally easier on the London Metal Exchange. After opening at £995, forward metal rose to £1,009.5 in the morning rings as modest buying followed rumours concerning the U.S. and Iran. However, in the afternoon profit-taking caused a downturn in price and forward metal eased to £1,001 before recovering to close the late kerb at £1,006. Turnover 12,075 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7540-50	.....	7530-50	+70
3 months	7320-40	-7.5	7320-40	+25
Settlem't	7550	.....	—	.....
Standard				
Cash	7535-40	-7.5	7560-50	+70
3 months	7500-10	-12.5	7500-5	+17.5
Settlem't	[illegible]			
Straits E.	[illegible]			
NewYork	[illegible]			

ZINC—Held steady in quiet trading with forward metal finally quoted at £332 on the late kerb. Turnover 2,650 tonnes.

INSURANCE BASE RATES

† Property Growth	13¼%
† Vanbrugh Guaranteed	14⅛%

† Address shown under Insurance and Property Table.

CORAL INDEX: Close 406-411 (unchanged)

COFFEE

GRAINS

SILVER

COCOA

RUBBER

WOOL FUTURES

PRICE CHANGES

In tonnes unless otherwise stated.

SOYABEAN MEAL

SUGAR

MEAT/VEGETABLES

AMERICAN MARKETS

EUROPEAN MARKETS

INDICES

FINANCIAL TIMES

MOODY'S

DOW JONES

REUTERS

Columbia cuts coffee price

BOGOTA — Trade sources said the Colombian Coffee Growers' Federation yesterday lowered its resale price to private exporters to $3.09 a pound, exdock New York, from $3.12.

The resale price exdock Europe was fixed at $3.11 against $2.13 previously.
Reuter

TRAVEL

EXHIBITIONS

LONDON STOCK EXCHANGE

Leading equities rally following ICI's burst of strength but Gilts turn uneasy ahead of new tap applications

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 5	Nov. 15	Nov. 16	Nov. 26
Nov. 19	Dec. 6	Dec. 7	Dec. 17
Dec. 10	Dec. 20	Dec. 27	Jan. 7

* "New time" dealings may take place from 9.30 am two business days earlier.

Government stocks went down again yesterday, but leading equities staged a technical recovery despite the slightly discouraging news background on both international and domestic fronts. Some short-term investors in Gilts became uneasy and disposed of their holdings prior to today's applications for the new short tap stock. Ensuing price falls thus further reduced the attractions of the issue, Treasury 15 per cent 1985, and the chances of a good subscription.

Apart from the closing of speculative bull positions and the opening of some fresh bear commitments, business in Gilt-edged securities was usually confined to the recognised trading stocks. More switching operations were affected and at the end of the day the longer maturities were showing fresh losses to ½, while the shorts closed ⅜ easier at the most. Awaiting publication of the latest Treasury economic forecasts, expected tomorrow, the dullness continued in the after-hours' dealings.

Leading shares, meanwhile, took heart from a burst of enthusiasm for Imperial Chemical Industries following newspaper comment on the North Sea Ninian field contribution to the group's third-quarter results, which are due today. ICI rose to 355p before settling a net 14 up at 352p and the movement encouraged professional bear-covering which took selected leaders up by several pence with the result that the FT 30-share index closed 5.3 higher at the best of the day of 413.0.

The Oils pitch was again one of the busiest sectors with interest continuing to centre on Tricentrol, before and after the announcement of the third-quarter figures; these were considered excellent and, despite substantial profit-taking, the close was 4 up at the day's highest at 262p, after 256p. Although ending unchanged on balance, British Petroleum new partly-paid shares were also active.

Antofagasta Railway attracted support and rose 4 points to £45 compared with the offer from a Chilean-based concern of £41; the 5 per cent Preference hardened a point to equal its bid price of £50.

An improved business in Traded options was dominated by ICI, which attracted 247 trades ahead of today's third-quarter figures. Contracts completed amounted to 613 against Tuesday's 533.

Exchange and Mart publishers Link House, which made their market debut a month ago at 125p per share, firmed 5 to 158p.

Hambros up again

Hambros continued firmly among merchant banks, rising 4 for a two-day advance of 17 to 270p on the favourable interim report. Elsewhere, the major clearers moved higher on technical considerations; Barclays firmed 5 to 397p as did Lloyds, to 277p, while Midland and Nat-West both closed a similar amount dearer at the common level of 327p. Discounts gave ground, still affected by adverse comment and also not helped by a fresh reaction in gilts. Allen Harvey and Ross lost 7 to 300p and Alexanders shed 5 to 200p, while Gillett Bros. eased 3 to 200p and Clive 2 to 70p.

Buoyed by the recent figures produced by the three large life associations, showing that the current year will be a record for new individual assurance business, life issues in Insurances made useful progress. Prudential put on 6 to 149p and Legal and General gained 4 to 146p. Hambro Life, also helped by the favourable trading statement from the parent Hambros Bank, closed 4 to the good at 117p.

Business in Breweries was subdued and the leaders followed the general market trend to end with small gains. Regional issues lacked recent support, although Belhaven firmed a penny to 35p awaiting Friday's annual meeting and Home Brewery, dealt under special rule, added 5 to 320p following pleasing annual results.

While leading Buildings displayed only modest gains, selected secondary issues continued to respond to small buying with househuilders particularly favoured. Barratt Developments put on 5 to 109p in response to the chairman's confident remarks at the annual general meeting. Gough Cooper became prominent in closing 7 to the good at 71p, as did M. P. Kent, which added 5 to 46p. A. Monk revived with a gain of 3 to 39p and Scottish Homes, awaiting news of the bid approach, also firmed 3 to 42p. Milbury, however, in front of today's half-yearly results, eased 2 to 52p. Elsewhere, renewed speculative demand in a thin market lifted Phoenix Timber 9 to 137p. Brown and Jackson continued its recent recovery, adding 10 more to 170p and Wilson (Connolly), in a thin market, firmed 8 for a two-day gain of 11 to 163p. In Paints, Manders picked up 5 to 145p. Cocksedge provided a late dull feature, falling 9 to 64p, on the interim loss and dividend omission.

The combination of a clutch of brokers' bullish circulars and Press comment highlighting the contribution of the company's oil interests ahead of today's third-quarter results stimulated early demand for ICI which spurted to 355p before settling 14 up on balance at 352p.

Burton jump

Burton issues dominated the proceedings in the Stores sector yesterday when the long-awaited enfranchisement proposals were announced together with better-than-expected preliminary profits; the "A" shares raced away to touch 226p before closing 20 higher on balance at 224p, while the ordinary finished 17 to the good at 255p, after 265p, and the Warrants ended 14 better at 74p, after 76p. Elsewhere, House of Fraser hardened 2 to 114p awaiting today's third-quarter figures, while British Home gained 4 to 220p and W. H. Smith "A" hardened 3 to 135p. Interest was shown in Cramphorn, dealt under special rule, and the close was 15 higher at 375p, while B. and Q. Retail firmed 4 to 76p and Dewhirst added 3 at 70p. Stylo revived in Shoes with a rise of 10 to 145p.

Electricals improved along with the general market trend although business was slack and an easier bias was noted towards the close. GEC put on 4 to 328p, after 331p, while BICC added 2 to 94p. EMI, 132p, and Thorn, 298p, hardened 2 apiece, while Decca "A" improved 4 to 249p. Outside the leaders, further speculative attention was directed towards Brocks, 5 up for a three-day gain of 17 to 80p, while Automated Security ended 4 better at 191p and Sound Diffusion rose 5 to 55p.

Largely on technical influences, Engineering leaders moved higher with the general trend. Vickers hardened 3 to 108p, while GKN, 243p, and Hawker, 156p, firmed 2 apiece. Elsewhere, Averys, at 236p, retrieved 3 of the previous day's fall of 10 that stemmed from fears that GEC's 265p cash offer might fail; the offer closes tomorrow. R. Cartwright picked up 5 to 72p and Blackwood Hodge gained 3 to 37p as did Turriff, to 75p.

Kwik Save provided an isolated firm spot in quiet Foods rising 4 to 108p, after 110p, in response to the increased annual profits and dividend. Tesco, however, despite satisfactory interim profits, relapsed to unchanged at 63½p, after 64½p. Linfood attracted a little support and improved 3 to 147p.

A rumour that Ladbroke might win its London casino licences appeal gained momentum and the shares put on 5 for a two-day gain of 10 to 149p.

Wedgwood pleases

North Sea oil-orientated stocks claimed a fair amount of attention among secondary miscellaneous industrials yesterday. National Carbonising were wanted at 115p, up 11, while LC Gas put on 10 to 603p and Cawoods 8 to 148p. Elsewhere, Wedgwood stood out with a rise of 8 to 76p following the better-than-expected interim profits and the Board's accompanying optimistic remarks concerning second-half prospects. Speculative support was evident in Diploma Investments which firmed 15 to 325p, and A. and R. Findlay put on 4 to 28p following demand in a thin market. Having recently reported favourable figures, Applied Computer rose 10 afresh to 208p, while A. Arenson rose 6 to 121p, the latter following the chairman's confident forecast of improved results for the full year. Pentos firmed 3 to 59p as did W. Goodkind, to 26p, and Hay's Wharf, to 103p. Details of the interim profits setback brought initial dullness to Braby Leslie which were immediately marked down to a 1979 low of 54p, but consideration of the Board's encouraging remarks about the second-half prospects prompted a rally which left the close unaltered at 57p. The leaders staged a technical improvement with Glaxo closing with a rise of 6 at 403p. Profit-taking after the previous day's rise of 12, which followed the better-than-expected first-half figures, left Metal Box 4 off at 242p.

In Motor Components, Lucas found support and rose 6 to 210p while Dunlop put on a couple of pence to 48p, as did Dowty, to 135p. Automotive Products, on the other hand, eased 2 to 64p. In quiet Distributors, Appleyard remained in demand and added 3 to 68p, while British Car Auctions hardened 1½ to 52½p on the chairman's statement at the annual meeting.

Newspaper issues with North Sea oil interests attracted support. Associated, 240p and Daily Mail A, 415p, rose 8 and 7 respectively, while International Thomson advanced 12 to 360p.

A reasonable interest was shown in Properties, but leading issues finished marginally below the best. Land Securities finished 4 higher at 253p, after 254p, and MEPC also improved 4, to 143p, after 144p. Stock Conversion, at 334p, recovered the previous day's fall of 4, while consideration of the interim results left Great Portland Estates a like amount to the good at 182p.

Oils busy again

With the notable exception of British Petroleum, which became subdued and eased 4 to 366p, Oils were subjected to another firm and active day's trading with speculative counters well to the fore. Standing 4 higher awaiting the third quarter results, Tricentrol reacted to 256p on the announcement of the ex-expected sharply higher profits before moving ahead in later dealings to close 4 up on balance at 262p. Takeover rumours revived for several other secondary issues, Siebens UK advancing 36 to 288p and Burmah adding 5 to 173p. Lasmo put on 13 to 370p, while Oil Exploration, with one bid for the company already tabled and a rival offer announced, rose 5 more to 720p, after 729p, for a gain on the week so far of 108.

Trusts reflected the firmer market tone and closed with gains. British Investment improved 3 to 125p, while Caledonia found support and added 4 to 247p. In Financials, London Merchant rose 6 to 113p for a similar reason. Akroyd and Smithers held at the overnight level of 199p in front of today's preliminary results.

Shippings attracted a better trade than of late, P and O rising a penny to 100p after a useful two-way business, while bid speculation continued to bolster Furness Withy, 4 up at 240p. Milford Docks encountered small buying and recovered most of the previous day's fall of 12 which stemmed from the rights issue announcement to close at 178p.

Textiles were again mixed. Courtaulds rose 3 to 78p, after 79p, in front of today's mid-term statement, while Sirdar remained firm on continued speculative support and put on 3 to 125p. Dawson International, interim expected Monday, hardened a penny to 86p, but Parkland, reporting similar figures on Tuesday, eased 3 to 46p while Scottish, English and European lacked support and fell 3 to 47p, as did Carpets International, 2½ lower at 33p.

Golds firm

A rise of $3.25 in the bullion price to $395.75 an ounce—which was reckoned to have chart significance—prompted good gains in South African Golds. Initial buying demand from Johannesburg was soon followed by good interest from the Continent and heavyweights responded with improvements of up to a point, as in Randfontein, £22, and Hartebeest, £20¼, with the latter registering its fourth sucessive rise.

Gains of around ½ were common to Western Deep, £11⅛, Free State Geduld, £16, and Western Holdings, £18.

In the medium and lower-priced issues, Winkelhaak added 44 to 861p, East Driefontein 36 to 775p and Doornfontein 18 to 400p. The Gold Mines index rose 7.5 to 213.7.

South African Financials moved similarly to Golds. "Amgold" advanced a point to £27¼, Anglo American Corporation 14 to 410p and Union Corporation 10 to 460p.

Another strong performance by the UK equity market boosted Rio Tinto-Zinc 4 more to 301p but other London Financials failed to make fresh progress.

Platinums edged higher in line with the firmer free market metal price, with Lydenburg 4 better at 96p.

The Australian mining market extended Tuesday's rally. Pancontinental rose 25 for a two-day gain of 88 to 725p—while Hampton Areas put on 10 to 245p and BH South and MIM Holdings rose 3 apiece to 177p and 159p respectively.

Gold issues fared well with Gold Mines of Kalgoorlie 8 up at 130p and Poseidon the same amount better at 72p; the latter company says that reconstruction of its capital will begin soon with an offer to buy out shareholders with "less than marketable" parcels of shares.

Elsewhere in Australians, Thiess Holdings eased 3 to 331p following news that the company is taking court action regarding the recent deal between CSR and Shell whereby CSR purchased Shell's 15.6 per cent interest in Thiess.

FINANCIAL TIMES STOCK INDICES

	Nov. 21	Nov. 20	Nov. 19	Nov. 16	Nov. 15	Nov. 14	A year ago
Government Secs.	64.62	65.01	65.49	64.49	63.51	64.88	68.31
Fixed Interest	65.70	65.78	65.87	64.81	64.06	64.86	69.64
Industrial	413.0	407.7	411.3	407.0	406.5	410.0	478.6
Gold Mines	213.7	206.2	208.2	203.5	204.2	207.4	162.3
Ord. Div. Yield	7.79	7.85	7.84	7.92	8.15	8.07	6.01
Earnings, Yld. % (full)	19.09	19.37	19.16	19.30	19.64	19.46	15.77
P/E Ratio (net) (*)	6.46	6.36	6.49	6.43	6.27	6.33	8.19
Total bargains	16,551	19,310	20,660	22,933	19,650	16,676	—
Equity turnover £m	—	67.20	78.31	100.28	91.24	75.63	63.11
Equity bargains total	—	11,737	12,560	16,383	15,573	12,643	14,636

10 am 411.6. 11 am 411.9. Noon 411.8. 1 pm 411.8. 2 pm 411.8. 3 pm 413.0.
Latest Index 01-246 8026.
* Nil=8.19.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	62.31 (15/11)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (4/5)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	260.0 (2/10)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 21	Nov. 20
—Daily Gilt Edged	196.2	202.2
Industrials	110.4	101.2
Speculative	42.5	39.6
Totals	88.6	85.0
—5-d'y Av'r'ge Gilt Edged	218.6	209.3
Industrials	110.4	110.2
Speculative	34.0	35.5
Totals	90.4	91.1

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	—	73	13
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	319	150	936
Financial and Prop.	201	44	286
Oils	24	7	11
Plantations	3	2	21
Mines	50	6	55
Others	30	26	58
Totals	659	349	1,409

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (10)
FOREIGN BONDS (2) Antofagasta Railway, Antofagasta 5pc Pf.
SOUTH AFRICANS (1) S.A. Breweries
OILS (6) [illegible]
MINES (1) Gold Fields S.A.

NEW LOWS (73)
BRITISH FUNDS (1) Fdg. 6½pc '85-87
LOANS (2) Alcan 10½pc '89-94 [illegible]
FOREIGN BONDS (1) Japan 4pc '10 Ass.
AMERICANS (11) Brunswick Corp., Ford Motor, Chase Manhattan, General Electric, Chesebrough-Ponds, Chrysler, Steel (R.), Citicorp, United Technology, First Chicago [illegible]
CANADIANS (1) Bank of Montreal
BANKS (4) Alexanders Discount, Cater Ryder, Midland 7½pc '83-93 [illegible]
BUILDINGS (7) Leech (Wm.), Taylor Woodrow, Nottingham Brick, Richards Wallington [illegible]
CHEMICALS (1) Hickson & Welch
STORES (1) [illegible]
ELECTRICALS (2) Chloride, Whitworth Electric
ENGINEERING (6) A.P.V., Northern Eng., Rotork, Glynwed, Williams (W.) [illegible]
INDUSTRIALS (15) Braby Leslie, Inter-City, Continental Group, Oce Finance Cnv., Franklin Mint, Pilkington, Hawkins & Tipson, Powell Duffryn, Redfearn Glass, Howard Tenens, Unilever N.V. [illegible]
INSURANCE (1) Taisho Marine
LEISURE (3) HTV N/V, Westward TV, LWT A
MOTORS (2) Automotive, Dana Corp.
NEWSPAPERS (1) Websters Publications
TEXTILES (10) Allied Textile, Parkland A, British Mohair, Reliance Knitwear, Carpets Int., Hicking Pentecost, Yorks. Fine Wool, Nova (Jersey) [illegible]
TRUSTS (2) Colonial Secs., Jardine Secs.
MINES (1) Tara Exploration
Supreme Corpn.

LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	Vol.	April Closing offer	Vol.	July Closing offer	Vol.	Equity close
BP / Com. Union / Cons. Gold / Courtaulds / GEC / Grand Met. / ICI / Land Secs. / Marks & Spencer / Shell / Totals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Ex'rcise price	November Closing offer	Vol.	February Closing offer	Vol.	May Closing offer	Vol.	Equity close
BOC Intl. / Boots / EMI / RTZ / Totals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., Nov. 21, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., Nov. 20 Index No.	Mon., Nov. 19 Index No.	Fri., Nov. 16 Index No.	Thur., Nov. 15 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (173)	265.20	+0.6	20.93	7.29	6.08	263.97	265.12	263.52	262.79	229.16
2 Building Materials (27)	196.65	+0.6	20.60	7.11	6.33	196.73	197.27	195.46	195.76	183.97
3 Contracting, Construction (29)	329.56	+0.7	23.78	7.45	4.93	327.36	332.37	318.17	316.53	363.91
4 Electricals (15)	533.97	+1.0	15.38	4.57	8.81	528.91	533.82	524.34	515.49	534.19
5 Engineering Contractors (11)	263.41	-0.2	27.72	9.45	4.67	264.08	273.75	277.38	278.14	357.07
6 Mechanical Engineering (75)	139.52	+0.7	23.52	9.03	5.29	138.60	139.53	139.00	138.93	179.55
8 Metals and Metal Forming (16)	134.19	+0.7	23.54	11.03	5.19	135.20	136.01	136.15	136.91	161.38
CONSUMER GOODS										
11 (DURABLE) (52)	195.22	+1.0	18.92	6.07	6.56	193.23	195.29	193.26	192.36	202.43
12 Lt. Electronics, Radio, TV (15)	271.95	+0.8	14.27	4.65	8.62	269.85	273.24	273.46	270.34	249.62
13 Household Goods (14)	114.97	+1.7	26.37	9.31	4.59	113.04	114.42	115.23	113.67	171.55
14 Motors and Distributors (23)	98.67	+1.4	26.62	8.67	4.50	97.33	97.82	97.92	95.54	127.57
CONSUMER GOODS										
21 (NON-DURABLE) (170)	204.73	+0.8	19.31	7.08	6.43	203.18	204.10	202.68	202.52	227.43
22 Breweries (14)	257.85	+0.7	17.47	6.00	6.83	256.15	258.07	254.14	253.12	227.47
23 Wines and Spirits (6)	301.64	+0.6	18.48	6.08	6.69	299.98	302.63	301.14	299.59	283.41
24 Entertainment, Catering (17)	272.98	+0.6	17.56	6.86	7.41	271.38	275.89	274.43	273.28	258.69
25 Food Manufacturing (18)	186.75	+0.7	21.76	7.40	5.68	185.41	186.02	187.07	185.88	203.49
26 Food Retailing (15)	276.63	+0.3	14.48	4.80	8.28	275.84	276.72	272.11	270.33	223.31
32 Newspapers, Publishing (12)	373.21	+1.6	25.44	7.80	5.43	367.34	364.63	358.73	363.56	370.37
33 Packaging and Paper (15)	114.69	+0.1	25.89	9.94	4.98	113.87	112.51	112.29	110.92	132.40
34 Stores (41)	194.20	+1.0	15.39	6.53	8.57	192.20	193.87	190.93	189.33	194.83
35 Textiles (23)	130.39	+1.5	28.29	12.32	4.47	128.47	128.61	127.15	127.60	177.67
36 Tobaccos (3)	206.83	+0.8	27.55	10.75	4.10	205.29	205.29	206.80	205.75	251.33
37 Toys and Games (6)	50.49	-0.4	32.42	14.18	3.89	50.71	50.86	49.96	50.92	93.53
41 OTHER GROUPS (98)	181.94	+1.7	17.22	7.25	7.88	178.91	179.88	177.35	176.67	193.67
42 Chemicals (18)	271.20	+3.0	17.91	7.24	6.85	263.30	262.99	263.06	263.80	274.77
43 Pharmaceutical Products (7)	199.43	+0.8	14.93	6.86	7.41	197.98	200.20	196.23	195.71	242.99
44 Office Equipment (6)	102.79	+0.5	19.42	8.20	6.43	102.32	103.62	101.77	102.07	128.01
45 Shipping (10)	406.68	+0.8	13.04	7.93	9.78	403.47	404.94	405.18	403.09	392.75
46 Miscellaneous (57)	205.50	+1.2	19.08	7.35	6.60	202.97	204.97	202.29	202.30	209.35
49 INDUSTRIAL GROUP (493)	205.49	+1.0	19.17	7.30	6.49	203.53	204.23	203.34	201.49	213.71
51 Oils (7)	731.01	-0.1	15.46	6.58	6.99	731.49	720.57	719.17	717.35	518.91
59 500 SHARE INDEX	246.45	+0.7	18.34	6.99	6.99	244.65	244.68	242.26	241.00	240.74
61 FINANCIAL GROUP (117)	169.86	+1.4	—	6.96	—	167.55	169.04	168.09	167.00	178.66
62 Banks (6)	182.79	+1.8	39.97	6.44	3.29	179.61	180.55	183.87	180.73	187.77
63 Discount Houses (10)	212.50	-1.2	—	9.33	—	215.01	218.08	214.43	213.45	237.72
64 Hire Purchase (5)	153.75	—	23.04	5.66	5.50	153.68	158.90	156.53	152.22	159.85
65 Insurance (Life) (10)	142.97	+2.9	—	7.36	—	138.90	138.78	136.73	136.60	152.75
66 Insurance (Composite) (8)	112.84	+0.8	—	8.63	—	111.93	112.59	111.64	109.79	123.54
67 Insurance Brokers (10)	246.44	+0.6	20.29	7.92	7.07	244.96	248.40	243.27	241.43	317.62
68 Merchant Banks (14)	85.47	+0.4	—	6.97	—	85.12	84.66	84.31	82.00	73.85
69 Property (44)	295.74	+2.1	3.47	3.27	33.57	289.69	292.68	284.85	282.60	253.43
70 Miscellaneous (10)	114.84	+0.1	16.54	7.82	7.87	114.74	113.05	113.32	112.91	106.96
71 Investment Trusts (109)	180.02	+1.0	—	6.64	—	178.25	178.10	177.31	176.91	203.10
81 Mining Finance (4)	142.87	+0.7	15.57	5.98	7.80	141.91	139.84	136.84	135.46	100.41
91 Overseas Traders (20)	306.60	+0.3	15.30	8.85	7.59	305.77	305.23	302.15	305.75	304.84
99 ALL-SHARE INDEX (750)	225.20	+0.9	—	6.89	—	223.11	223.81	222.12	219.85	219.84

FIXED INTEREST PRICE INDICES

British Government	Wed., Nov. 21	Day's change %	xd adj. today	xd adj. 1979 to date
1 Under 5 years	99.89	-0.12	—	8.32
2 5-15 years	103.36	-0.60	—	9.35
3 Over 15 years	107.77	-0.56	—	12.28
4 Irredeemables	117.28	-0.85	—	13.32
5 All stocks	103.33	-0.41	—	10.04

FIXED INTEREST YIELDS
British Govt. Av. Gross Red.

		Wed., Nov. 21	Tues., Nov. 20	Year ago (approx.)
1 Low Coupons	5 years	12.57	12.50	9.55
2	15 years	12.72	12.64	11.74
3	25 years	12.80	12.79	12.27
4 Medium Coupons	5 years	14.94	14.73	12.57
5	15 years	14.47	14.37	12.70
6	25 years	14.16	14.06	12.79
7 High Coupons	5 years	15.29	15.18	12.61
8	15 years	14.58	14.50	12.73
9	25 years	14.50	14.41	12.30
10 Irredeemables		12.46	12.35	12.12

	Wed., Nov. 21 Index No.	Yield %	Tues. Nov. 20	Mon. Nov. 19	Friday Nov. 16	Thurs. Nov. 15	Wed. Nov. 14	Tues. Nov. 13	Mon. Nov. 12	Year ago (approx.)
15 20-yr. Red. Deb & Loans (15)	61.55	14.33	61.65	61.60	61.44	61.30	62.33	62.58	62.27	65.14
16 Investment Trust Prefs. (15)	45.16	14.60	44.84	42.85	42.80	43.09	45.90	45.67	45.57	51.54
17 Coml. and Indl. Prefs. (20)	61.60	14.02	60.70	59.97	59.11	59.29	61.67	61.96	61.86	71.68

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 14p, by post 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
ICI	£1	12	352	+14	415	314
Burton "A"	50p	8	224	+20	332	167
Tricentrol	25p	8	262	+4	266	146
BP "New"	25p	7	162	—	166	150
P & O Defd.	£1	7	100	+1	119	71
Averys	25p	6	236	+3	285	195
Barclays Bank	£1	6	397	+5	514	360
Cons. Gold Fields	25p	6	530	—	538	178
Coral Leisure	10p	6	73	+1	133	72
LASMO	25p	6	370	+18	370	124
Shell Transport	25p	6	342	+4	402	278
Warren Plants.	25p	6	128	+3	165	109
GEC	25p	5	328	+4	456	311
Hawker Siddeley	25p	5	156	+2	278	147
Unilever	25p	5	455	+5	680	460

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Nov. 12	Nov. 23	Feb. 21	Mar. 3
Nov. 26	Dec. 7	Mar. 6	Mar. 17
Dec. 17	Dec. 28	Mar. 26	Mar. 31

For rate indications see end of Share Information Service

Money was given for the call in Shell Transport, Town and City, British Mohair, Goldfields of South Africa, Ladbroke Warrants, Tricentrol, Decca A, Wallis Fashion, UDT, Averys, LRC, Burton Warrants, Burmah, Lasmo, Ultramar, Beecham, Siebens (UK), Bolton Textile and Moorgate and Mercantile. Puts were arranged in Burton A and Town and City, while doubles were completed in Whessoe and Thorn.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+or-	Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	B.P. 'New' ... Link House ... Stewart Nairn ... [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+or-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bristol Waterworks 8% Red. Pref. 1984 ... Cambridge Water ... London Trust ... [illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+or-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	BH Proprietary ... Duncan (Walter) & Goodricke ... Francis Inds. ... Laporte Inds. ... M.Y. Dart ... Newman Tonks [illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. [illegible] † Dealings under special rule.

LEADERS AND LAGGARDS

The following table shows the percentage changes † which have taken place since December 29, 1978, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Gold Mines F.T.	+45.72	Industrial Group	-6.05
Oils	+44.77	Hire Purchase	-6.08
Mining Finance	+40.81	Consumer Goods (Durable) Group	-6.70
Food Retailing	+26.18	Food Manufacturing	-7.14
Breweries	+16.09	Other Groups	-9.64
Merchant Banks	+9.97	Insurance (Composite)	-9.93
Property	+8.33	Capital Goods Group	-11.10
Wines and Spirits	+6.70	Contracting and Construction	-11.69
Overseas Traders	+5.28	Investment Trusts	-12.11
Insurance (Life)	+4.64	Tobaccos	-12.60
Banks	+3.56	Packaging and Paper	-15.16
Electronics, Radio and TV	+3.03	Metal and Metal Forming	-15.15
500-Share Index	+1.86	Pharmaceutical Products	-15.43
Entertainment and Catering	+1.38	Motors and Distributors	-16.68
All-Share Index	+1.25	Office Equipment	-20.36
Discount Houses	+0.98	Mechanical Engineering	-23.95
Newspapers and Publishing	+0.95	Engineering Contractors	-25.08
Financial Group	+0.67	Textiles	-27.58
Shipping	-0.40	Household Goods	-34.06
Electricals	-1.28	Toys and Games	-44.55
Consumer Goods (Non-Durable) Group	-3.29		
Building Materials	-4.29		
Chemicals	-4.34		

† Percentage changes based on Tuesday, November 20, 1979, indices.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Royal Trust (C.I.) Fd. Mgt. Ltd. [illegible]
Save & Prosper International [illegible]
Samuel Montagu Ldn. Agents [illegible]
Murray, Johnstone (Inv. Adviser) [illegible]
Negit S.A. [illegible]
Nat. Westminster Jersey Fd. Mgrs. Ltd. [illegible]
Phoenix International [illegible]
Quest Fund Mngmnt. (Jersey) Ltd. [illegible]
Richmond Life Ass. Ltd. [illegible]
Rothschild Asset Management (C.I.) [illegible]
Rothschild Asset Mngt. (Bermuda) [illegible]
Schlesinger International Mngt. Ltd. [illegible]
Schroder Life Group [illegible]
J. Henry Schroder Wagg & Co. Ltd. [illegible]
Sentry Assurance International Ltd. [illegible]
Singer & Friedlander Ldn. Agents [illegible]
Standard Chartered Intl. Bd. Fd. [illegible]
Stronghold Management Limited [illegible]
Surinvest (Jersey) Ltd. [illegible]
Surinvest Trust Managers Ltd. [illegible]
TSB Unit Trust Managers (C.I.) Ltd. [illegible]
TSB Gilt Fund Managers (C.I.) Ltd. [illegible]
Tokyo Pacific Holdings N.V. [illegible]
Tokyo Pacific Hldgs. (Seaboard) N.V. [illegible]
Tyndall Group [illegible]
Utd. Intnl. Mngmnt. (C.I.) Ltd. [illegible]
United States Tst. Intl. Adv. Co. [illegible]
S. G. Warburg & Co. Ltd. [illegible]
Warburg Invest. Mngt. Jrsy. Ltd. [illegible]
Wardley Investment Services Ltd. [illegible]
World Wide Growth Management [illegible]
Wren Commodity Trust [illegible]

هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Group (a)(g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgrs. Ltd.

Barclays Unicorn Ltd.

Baring Brothers & Co. Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers

Britannia Trust Management

The British Life Office Ltd.

Brown Shipley & Co. Ltd.

Canada Life Unit Tst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carliol Unit Fd. Mgrs. Ltd.

Charities Official Invest. Fund

Chieftain Trust Managers Ltd.

Confederation Funds Mgt. Ltd.

Cosmopolitan Fund Managers

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mgrs. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmt. Ltd.

Equity & Law Un. Tr. M.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd.

Friends' Provdt. Unit Tst. Mgrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers

Gibbs (Antony) Unit Tst. Mgrs. Ltd.

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration

Hill Samuel Unit Tst. Mgrs.

Investment Intelligence Ltd.

Key Fund Managers Ltd.

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Trust

M & G Group

ManuLife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mgmt.

Mutual Unit Trust Managers

National and Commercial

National Provident Inv. Mngrs. Ltd.

National Westminster

NEL Trust Managers Ltd.

Northgate Unit Trust Managers Ltd.

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd.

Pelican Units Admin. Ltd.

Perpetual Unit Trust Mngmt.

Practical Invest. Co. Ltd.

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd.

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management

Rowan Unit Trust Mngt. Ltd.

Royal Tst. Can. Fd. Mgrs. Ltd.

Saturn Fund Management Limited

Save & Prosper Group

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Sebag Unit Tst. Managers Ltd.

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd.

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd.

Target Tst. Mngrs. (Scotland)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co.

TSB Unit Trusts (y)

Tyndall Managers Ltd.

Ulster Bank

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

NOTES

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assur. Co. Ltd.

City of Westminster Assur. Soc. Ltd.

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life Assurance Co. Ltd.

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Gartmore Bonds

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Life Linked Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Solar Life Assurance Limited

Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive Ldn. Agents

Bridge Management Ltd.

Britannia Tst. Mngmt. (C.I.) Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F. & C. Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda.) Ltd.

Fidelity Mgmt. Research (Jersey) Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Hambro Pacific Fund Mgmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Baring Fund Mgrs. Ltd.

Henderson Baring (Guernsey) Ltd.

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Invest. Mgmt. Intnl.

N.V. Interbeheer

International Pacific Inv. Mgmt. Ltd.

J.E.T. Managers (Jersey) Ltd.

Jardine Fleming & Co. Ltd.

Leopold Joseph & Sons (Guernsey)

Kemp-Gee Management Jersey Ltd.

Keyser Ullmann Ltd.

King & Shaxson Mgrs.

Kleinwort Benson Limited

Lloyds Bk. (C.I.) U/T Mgrs.

Lloyds Bank International, Geneva

M & G Group

Midland Bank Tst. Corp. (Jersey) Ltd.

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1979 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
99⅜	95⅞	Treasury 9pc 1980‡‡	97 15/32	......	9.19	16.43
99⅞	95 3/16	Treasury 9½pc '80‡‡	97¼	–1/16	9.78	15.98
97	92¾	Treasury 3½pc '77-80	95⅞xd	......	3.65	11.29
97⅜	92¾	Funding 5¼pc '78-80‡‡	95⅞xd	......	5.48	13.13
103⅝	97½	Exchequer 13pc 1980‡‡	98xd	–⅛	13.27	15.18
102⅛	95⅜	Treasury 11½pc 1981‡‡	96	–1/16	11.98	15.29
93¼	88⅞	Treasury 3½pc 1979-81	91⅜	......	3.83	11.13
99 11/16	92 3/16	Treasury 9¾pc 1981‡‡	93⅞	–⅛	10.39	14.81
96¾	89½	Exch. 8¼pc 1981	91 15/16xd	–⅛	8.97	14.23
98 11/16	91¼	Exch. 9½pc 1981	92⅞	–⅛	10.26	14.46
91¼	84¾	Exch. 3pc 1981	87¼	......	3.44	11.20
98 5/16	94⅞	Treas. Variable '81‡‡	95¼	......	17.52	19.67
104	95¼	Exch. 12¾pc 1981‡‡	95 7/32xd	–⅛	13.30	15.20
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

1979 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
95	81	Do. without Warrants	83½xd	......	10.77	14.90
103¼	96	FFI 13pc 1981	96½	......	13.47	16.20
108¼	94¾	Do. 14pc '83	95¼	......	14.70	15.58
86½	77½	ICFC 5½pc Deb. '80-82	81	–½	6.89	14.55
85	69	Do. 6¼pc Db. '81-84	71½xd	......	8.74	14.50
99	84	Do. 10½pc Uns.Ln. '86	86	......	12.80	15.10
99	83	Do. 11pc Uns.Ln. '88	86	......	13.44	14.50
101½	84	Do. 11¾pc Uns.Ln. '90	87½	–½	14.21	15.10
72½	56	Do. 7¼pcADeb. '89-92	56½xd	......	12.83	14.90
69	53	Do. 7¼pcA Db. '91-94	56	+½	13.31	15.00
81½	64	Do. 9pc 'A' '91-94	67	+1	13.82	14.90
78½	61½	Do. 8⅞pcLn. '92-97	65½	......	14.13	14.80
102	85	Do. 12½pc Uns.Ln. 1992	89	–½	14.28	14.70

FOREIGN BONDS & RAILS

1979 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
45	22	Antofagasta Rly.	45	+4	—	—
50	37	Do. 5pc Pref.	50	+1	—	—
98	98	Chilean Mixed	98	......	—	3.39
60	18	Chinese 4½pc 1898	59	......	—	—
49	21	Do. 5pc 1912	49	......	—	—
28	13	Do. 5pc 1913	25	–½	—	—
27	10	Do. 5pc 1925 Boxer	20	......	—	—
430	400	German Yng. 4½pc.	425	......	4½	—
52	35	Greek 7pc Ass.	35xd	......	3½	10.52
51	34	Do 6pc 28 Stab. Ass.	35	......	6	10.88
42	32	Do 4pc Mixed Ass.	34	......	4	7.28
54	42	Hung. '24 Ass.	53	......	—	5.33
68	68	Iceland 6½pc '83-88	68	......	—	13.39
90½	78½	Ireland 7½pc '81-83	82¾	......	7½	14.76
87½	69	Do 9¾pc '91-96	73½	......	9¾	14.26
390	225	Japan 4pc '10 Ass	225	–5	—	—
73	62	Do 6pc '83-88	63	......	6	11.90
160	135	Peru Ass. 3pc	160	......	3	1.62
75p	75p	S.G.I. 6½pc 1980	75p	......	6½	8.66
$94½	$94½	Turin 9pc 1991	$94½	......	9	9.52
DM91	DM91	Turin 6½pc 1984	DM91xd	......	6½	8.80
97	95	Uruguay 3½pc	96	......	3½	3.80

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

BANKS & HP—Continued

Hire Purchase, etc.

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BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

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FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

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FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.
Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.
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TEAS

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Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

MINES—Continued

CENTRAL AFRICAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
420	132	Falcon Rh.50c	400	—	Q100c	ϕ	17.2
37	11	Rhod'n Corp. 16⅔p.	36	+1	0.56	6.5	2.2
165	70	Roan Cons. K4	122	—	Q0.125	ϕ	6.2
67	26	Wankie Col. Rh.1	60	—	Q9c	1.5	10.3
19	9	Zam.Cpr.SBD0.24	13¾	—	—	—	—

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

NOTES

... scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 44

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	27	—
Bertam	16	—
Bdg'wtr. Est. 50p	370	+5
Clover Croft	30	—
Craig & Rose £1	£10½	—
Dyson (R. A.) A	23	—
Fife Forge	48	—
Finlay Pkg. 5p	19	—
Graig Ship. £1	600	−25
Higsons Brew	63	—
Holt (Jos) 25p	255	—
I.O.M. Stm. £1	150	—
Pearce (C. H.)	358xd	—
Peel Mills	29	—
Sheff. Refrshmt	100	—
Sindall (Wm.)	168	+1

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£85⅝	—
Nat. 9¾% 84/89	£73⅝	—
Fin. 13% 97/02	£81½	−¼
Alliance Gas	62	—
Arnott	348xd	—
Carroll (P.J.)	53	—
Clondalkin	82	—
Concrete Prods.	80	+2
Heiton (Hldgs.)	35	—
Ins. Corp.	185	—
Irish Ropes	70	—
Jacob	35	—
T.M.G.	135	—
Unidare	85	—

OPTIONS
3-month Call Rates

Industrials

Stock	Rate
A. Brew	8
BOC Intl.	6
B.S.R.	5
Babcock	12
Barclays Bank	30
Beecham	13
Blue Circle	25
Boots	17
Bowaters	16
B.A.T.	25
Brown (J.)	7½
Burton 'A'	25
Cadburys	5½
Courtaulds	8
Debenhams	8
Distillers	21
Dunlop	6
Eagle Star	14
E.M.I.	12
Gen. Accident	21
Gen. Electric	35
Glaxo	40
Grand Met	13
G.U.S. 'A'	30
Guardian	23
G.K.N.	22
Hawker Sidd	16
House of Fraser	14
I.C.I.	20
"Imps"	8
I.C.L.	45
Inveresk	5
KCA	3½
Ladbroke	17
Legal & Gen.	14
Lex Service	11
Lloyds Bank	24
"Lofs"	3½
London Brick	6
Lonrho	6
Lucas Inds.	20
"Mams"	15
Mrks. & Spncr	10
Midland Bank	30
N.E.I.	5
Nat. West. Bank	28
P & O Dfd.	10
Plessey	10
Racal Elect.	22
R.H.M.	4½
Rank Org.	18
Reed Intnl.	17
Sears	5½
Spillers	4½
Tesco	7
Thorn	35
Trust Houses	14
Tube Invest.	27
Unilever	40
U.D.T.	4
Utd. Drapery	10
Vickers	18
Woolworths	6½

Property

Stock	Rate
Brit. Land	7
Cap. Counties	9
Land Secs.	25
MEPC	17
Peachey	13
Samuel Props.	14
Town & City	2

Oils

Stock	Rate
Brit. Petroleum	35
Burmah Oil	15
Charterhall	5
Premier	4
Shell	30
Ultramar	22

Mines

Stock	Rate
Charter Cons.	16
Cons. Gold	18
Rio T. Zinc	27

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday November 22 1979

All-out stoppage looms at BL cars

BY OUR LABOUR STAFF

BL CARS production was heading for a total shutdown last night as about 35,000 workers joined the strike protest against the dismissal of Mr. Derek Robinson, the Longbridge convener.

The executive of the Amalgamated Union of Engineering Workers, Mr. Robinson's union, will meet in emergency session this afternoon after failing yesterday to persuade BL management to back down over the dismissal of Mr. Robinson.

There was increasing gloom among union leaders last night over the prospects of containing the crisis. Official industrial action has not been ruled out.

BL insisted, in the face of the mounting crisis, that it would not give way to the AUEW's demands for Mr. Robinson's reinstatement.

BL acted against the stewards for trying "to undermine the company's recovery plan," which involves the closure of plants and the loss of more than 25,000 jobs. The men put their names to a document produced by the unofficial shop stewards combine which urged resistance to the proposed transfer of work.

About 5,800 workers at the Castle Bromwich body plant, Birmingham, which is scheduled to be closed under the Edwardes' plan, voted yesterday to stage an indefinite strike.

Flashpoint

All Triumph production is already at a standstill because of a walkout by 6,000 workers at the Canley plant, Coventry.

At Bordesley Green, Birmingham, where Spitfire body pressing and Range-Rover engine assembly takes place, a further 650 men went on strike and another 3,000 voted to take similar action at Coventry engines, part of the Austin Morris division.

At Longbridge, the flashpoint of the dispute, about 1,000 Austin Morris workers reported for duty, but an estimated 14,000 remained away from day and night shifts.

The 6,000 workers at the two Jaguar plants in Coventry ended their 24 hour stoppage. About 8,000 men at Rover, Solihull, downed tools for three hours as a gesture of support for Mr. Robinson.

All Marina production at Cowley, Oxford, has come to a halt because of an engine shortage caused by the Longbridge stoppage.

More than 2,000 workers have been laid off and by the end of the week most of the remaining 11,000 manual employees at Cowley are expected to be sent home.

Queen was asked to keep Blunt secret

BY PHILIP RAWSTORNE

BRITISH INTERESTS had been seriously damaged by Anthony Blunt's activities as a Russian spy, Mrs. Margaret Thatcher told the Commons yesterday.

The Government did not know exactly what information he had passed to Soviet intelligence, the Prime Minister admitted. But it was unlikely that British military operations or lives had been put at risk.

Mrs. Thatcher, opening the debate on the Blunt affair, said that since 1967, successive Prime Ministers and Home Secretaries had been informed of the situation.

The Queen had been advised in 1964 to take no action against Blunt in case it alerted the Russians to his confession.

Lord Brooke, Home Secretary at the time of Blunt's confession, had said he could not recall being told of the affair but now agreed that his memory "must have been at fault."

Records showed that the head of the security service had reported to the Home Secretary both before and after Blunt's confession.

"It was for the Home Secretary to decide whether the Prime Minister should be informed," Mrs. Thatcher said. "There is no record on this point. Neither Lord Brooke nor Lord Home can recall discussing the matter."

Sir Michael Adeane, the Queen's Private Secretary, had been invited to a meeting in 1964 with the Director General of the security service and the Permanent Secretary at the Home Office.

He was told that Blunt was suspected of spying and would be granted immunity provided he co-operated with the authorities.

"After Blunt had been granted immunity, the Palace duly followed the advice it had been given," she said.

Throughout the affair the security service had scrupulously followed the procedures laid down for reporting to Government Ministers on the case.

The Prime Minister told MPs that she saw no need to change the principles which governed relations between Ministers and the service.

She had made it clear, however, that the head of the security service should report to the Home Secretary any information about possible security risks among Ministers or senior public servants. In exceptional cases he would report directly to the Prime Minister.

Anticipating Labour backbench demands for a full inquiry into the affair, Mrs. Thatcher made it clear that she believed it would serve no useful purpose. "It is important not to be so obsessed with yesterday's danger that we fail to detect today's," she said.

Mrs. Thatcher confirmed in a written Commons reply that after investigations into the defection of Burgess and Maclean, a number of people left the public service or were transferred to work which did not involve access to classified information.

Parliament, Page 16

Decision today on 14-15% mortgage rate increase

BY MICHAEL CASSELL

THE BUILDING societies are expected today to recommend an increase in the mortgage rate from 11¾ per cent to between 14¼ and 15 per cent, probably from January 1.

A special meeting of the Council of the Building Societies Association will be held this afternoon to fix the new rate, which will be the highest ever.

The decision will be in the wake of last week's increase in minimum lending rate and the subsequent sharp upward movement in competitive interest rates generally.

There has been no last-minute intervention by Ministers to persuade societies either to delay or moderate their expected decision, and the Government is preparing to face angry criticism from the Opposition later today.

Mrs. Margaret Thatcher and her colleagues accept the move as inevitable after last week's decision on interest rates. Ministers will attempt merely to dampen down the impact of the huge leap in mortgage costs by holding out the hope that the increase will be a temporary one.

The building societies originally planned to introduce a record 12½ per cent home loan rate from January 1, and even immediately after last Thursday's introduction of a 17 per cent MLR there were brief hopes that a further rise in cost of mortgages could be postponed.

But the societies were astonished at the immediate impact which the announcement of higher interest rates among their competitors for investors' funds had on their own intake. Many reported almost a drying-up of receipts, and with withdrawals rising found themselves with a net outflow of funds.

The societies believe that they must now pay their Ordinary share account investors at least 10¼ per cent net, against the present 8¼ per cent, to maintain their present position in the savings market.

Such a move would imply a home loan rate of 15 per cent, though calls for trimming back the increase could end in a marginally lower figure being recommended.

Although January 1 still looks the earliest practical date for imposition of a new rate on existing loans, there may be some pressure for an earlier adjustment.

If societies put up investors' rates from December 1 but hold the mortgage rate until January, they may find the move costs them as much as £70m.

There is no doubt that many society executives are concerned about the effect the new rate will have on home-buyers, particularly those who took out loans in the earlier part of 1978 when the mortgage rate varied from 8½ to 9½ per cent.

If the societies decide on a 15 per cent rate today, monthly repayments on a 25 year average loan of £12,000 would rise from £125 40p gross to £154 80p.

The societies will emphasise today that, at best, they are restoring the position which existed until last week's general rise in interest rates.

Subscription hopes fade as £800m stock goes on offer

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

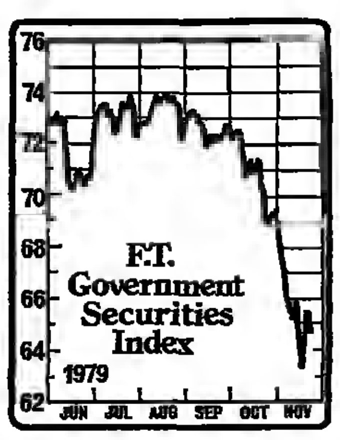
THE CHANCES of a heavy subscription for the £800m gilt-edged stock on offer this morning have faded following a further fall in gilt-edged prices yesterday.

The prices of long-dated stocks dropped by £1 after falls of up to £1 on Tuesday while shorts declined by £1 over the two days.

At these levels the yield on the new issue—15 per cent Treasury 1985—is only a fractionally higher than returns on existing stocks.

Consequently, brokers were last night doubtful whether the stock would be fully-subscribed, especially since it is fully-paid immediately. An uncertainty is, however, provided by the attitude of overseas investors.

The mood could change before lists close at 10 am this morning, but last night there were signs of a distinct cooling in the enthusiasm of domestic investors. This may be partly because of market indigestion following the heavy sales of gilts in the last week which tied up £1½bn of funding.



Hopes of an early cut in Minimum Lending Rate have also receded and the market has become more nervous because of UK labour troubles and the Middle East situation.

Dealers also reported nervousness ahead of the publication this afternoon of the Treasury's new short-term economic forecasts. The gloomy projections are likely to be heavily qualified in line with Treasury ministers' doubts about conventional forecasting techniques.

A precise estimate of public sector borrowing in the 1980-81 year in current prices will not be published though there will be an indication of borrowing as a percentage of forecast Gross Domestic Product in 1980-81.

This is a departure from the previous Government's practice. The decisions reflects the desire of ministers not to be tied to a precise figure for borrowing six months ahead of the spring budget and it does not represent a change in the overall policy of reducing borrowing as a proportion of GDP steadily year by year.

Where the economy goes from here, Page 25

Continued from Page 1

Miners

November 30. Papers must be returned to the Electoral Reform Society by December 3 for counting.

The papers will offer a simple "yes" or "no" vote, which means approval of the executive's rejection of the offer gives authority for the industrial action.

The executive did not consider an alternative motion proposed by the Left which simply called for national strike action.

Mr. Joe Gormley, NUM president, said there was no need to talk yet about industrial action. "I would be expecting that if there is a vote in support of the NEC that the Board would be willing to sit down and talk seriously to us."

Earlier Coal Board hopes of reaching a settlement had risen when the union suggested improving the present incentive payments scheme as a way of increasing earnings alongside the 20 per cent offer on basic rates.

The Board accepted the proposal in principle, but the executive withdrew it after a further meeting. Instead, after a 15-11 vote, the union said if the board raised its offer to 25 per cent, the executive would recommend it for acceptance. The board refused.

The Left in the union was jubilant. Mr. Arthur Scargill, Yorkshire area president, said he was "satisfied" with the executive's final decision. Mr. Mick McGahey, NUM vice-president, said the suggestion that 25 per cent would be enough for a recommendation to accept was now "dead." The union would be pressing for an increase in line with its decision to go for a £140-a-week maximum for a face worker and £80 for a surface worker.

Sir Derek Ezra, NCB chairman, described the union's decision as a "tragedy."

Continued from Page 1

Knight takes over at NEB

the NEB and he is to discuss this at any early meeting with Sir Michael Edwardes, chairman of BL. The issue will also probably be raised when the new board holds its first meeting tomorrow.

Sir Arthur stressed that, even without Rolls-Royce and BL, the NEB had an important role to play. "I do not see it as part of my job to phase out the NEB," he declared, adding that he did not personally regard the removal of Rolls-Royce "as at all surprising." He regarded the electronics area, including the NEB's Inmos microchip company, as "one of the most fascinating aspects of the job."

Earlier, Sir Leslie, who had thanked the staff at a meeting in the morning for their work, demonstrated how bitter the battle over the NEB and RR has been. He criticised ministers and civil servants and said: "This matter has not been decided on its merits." He criticised Sir Keith for cancelling plans for two recent meetings and said there had been no consultation about the changes. "I have no confidence that ministers advised by civil servants who have no business experience are competent to discharge the tasks previously carried out by the NEB," he said, explaining his opposition to the Industry Department's taking over the monitoring of RR.

The Government, however, believe that it has the professional skills in the industrial development units of the Industry Department to carry out this role.

The shareholdings of RR, and maybe BL, will now be transferred to the Industry Department for some months, till the current industry bill now before Parliament becomes law. This bill contains a clause which makes transfer of ownership possible.

In the meantime, the Government wants to conclude an urgent agreement with Sir Arthur to enable Department of Industry civil servants and their professional advisers to take over the day-to-day monitoring of the aero engine company.

The plan was welcomed last night by Sir Kenneth Keith, who said: "I am sure it is in the best interests of not only Rolls-Royce, its employees and customers, but the British taxpayer, as well."

Gulf over Chrysler credit widens

By Stewart Fleming in New York

Manufacturers Hanover Trust, probably Chrysler Corporation's largest creditor, is not prepared to lend the hard-pressed car company any more money or an unsecured basis.

MHT, the fourth largest U.S. bank, is believed to have lent Chrysler about $40m, and is still thought to be sympathetic to a rescue-plan if the terms are satisfactory.

But the announcement by Mr. John McGillicuddy, the bank's chairman, to the Senate banking committee brings into the open the widening gulf between the Carter Administration and Chrysler's bankers over terms of any rescue plan.

Almost immediately afterwards Mr. Roger Altman, Assistant Treasury Secretary, told the committee that among sacrifices that could be necessary by groups with a stake in Chrysler was a decision by banks and financial institutions to purchase more equity in the company.

Earlier in the month, amid signs of a mounting financial crisis at Chrysler, the U.S. Government announced plans to press for legislation which would give the company $1.5bn of government loan guarantees.

The Government's proposal is conditional on Chrysler raising an equivalent amount itself and on its existing creditors not withdrawing any credit they have already advanced to the company.

There has been no enthusiasm among banks and insurance companies, which have already lent $1.5bn to the Chrysler parent company alone, to participate in a rescue. Some have argued strongly in private that the company ought to go into bankruptcy, a view shared by Business Roundtable, the nation's most influential business lobby.

Just how much additional money Chrysler might need from its creditors to match the Government guarantee is unknown. The Treasury is seeking support from the company's dealers, suppliers, labour unions and State and local governments, as well as from financial institutions. Moreover the company could raise substantial sums from asset sales.

Weather

UK TODAY

Mainly dry, with sunny intervals after local fog.

London, S.E., E., Cent. England, Midlands, East Anglia
Local fog at first, sunny intervals. Cold. Max. 9C (48F).

E. England, Cent. N. England, N.E. England
Occasional rain, bright intervals later. Max. 9C (48F).

Channel Is.
Mainly dry, sunny intervals. Max. 11C (52F).

S.W. England
Mainly dry, some coastal fog and drizzle. Max. 11C (52F).

Wales, N.W. England, Lakes, Isle of Man
Cloudy, occasional drizzle, hill and coastal fog. Max. 11C (52F).

N.E., N.W. Scotland, Orkney, Shetland
Cloudy, occasional rain, hill fog. Max. 8C (46F).

Outlook: Occasional rain, becoming brighter.

WORLDWIDE

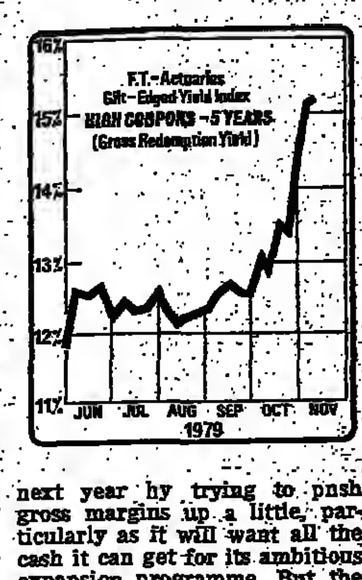
		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	15	59	L. Plms.	S	22	72
Algiers	C	14	57	Locarno	S	10	50
Amsdm.	C	6	43	London	S	8	46
Athens	C	18	64	Luxmbg.	C	4	39
Bahrain	S	28	82	Madrid	S	11	52
Barclna.	S	13	55	Majorca	F	22	72
Belfast	C	11	52	Malaga	S	20	68
Belgrd.	D	5	41	Malta	F	17	63
Berlin	O	4	39	Mchstr.	C	3	37
Biarritz	S	7	45	Melbne.	R	13	55
Bmghm.	S	3	37	Milan	S	9	48
Blackp'l	D	3	37	M'ntreal	C	6	43
Bordx.	F	7	44	Munich	Sn	1	34
Boulgn.	C	10	50	Nairobi	S	23	74
Bristol	Fg	2	36	Naples	C	14	57
Brussels	F	6	43	Nwcstl.	C	5	41
Budpst.	O	6	43	N. York	S	13	54
B. Aires	S	22	72	Nice	S	16	61
Cairo	S	29	84	Oporto	S	15	59
Cardiff	Fg	4	39	Oslo	S	—2	28
Cas'b'ca	F	16	61	Paris	F	8	46
Cape T.	S	27	81	Perth	S	21	70
Chicago	R	14	58	Prague	C	2	36
Cologne	C	6	43	Reykjvk.	F	2	36
Conhgn.	C	4	39	Rhodes	C	20	68
Corfu	Th	13	55	Rio J'o	C	27	80
Dublin	F	13	55	Rome	S	16	61
Dbrvnk.	F	16	61	Salzb'rg	C	2	36
Ednbgh.	C	11	52	Sngapr.	R	30	86
Faro	S	20	68	Stckhm.	C	3	37
Florence	F	13	55	Strasb'g	C	5	41
Frankf't	C	5	41	Sydney	S	23	73
Funchal	C	19	66	Tehran	S	13	56
Geneva	C	5	41	Tel Aviv	C	30	86
Gibrltr.	S	19	66	Tenerife	F	17	63
Glasgow	C	11	52	Tokyo	C	12	54
G'rnsey	S	8	46	Toronto	C	8	47
Helsinki	C	3	37	Tunis	C	15	59
H. Kong	S	23	73	Valencia	C	13	55
Innsbr'k	Sn	1	34	Venice	S	12	54
Invrnss.	C	13	55	Vienna	R	4	39
Istanbul	R	15	59	Warsaw	D	3	37
Jersey	C	10	50	Zurich	C	3	37
Jo'burg	C	24	75				

C—Cloudy. D—Drizzle. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. Th—Thunder.

THE LEX COLUMN

Financing Tesco's spending spree

Index rose 5.3 to 413.0



The gilt-edged market's nerves are still badly shaken after last week's events, and the miners are doing nothing to soothe them. After some scattered selling of stock yesterday, it now looks unlikely that Treasury 15 per cent 1985 will attract a significant level of applications this morning, especially as some potential foreign buyers may be deterred by the high level of sterling. So the new issue, which was after all designed to hold the market for a while, will probably have a chance to operate as a tap.

Food retailers

Yesterday's news from the food retailing sector was fairly encouraging for the two companies concerned, Tesco and Kwik Save Discount. Tesco's interim pre-tax profits rose 24 per cent to £17.1m, and Kwik Save was 23 per cent ahead at £12.2m at the end of its trading year. Ignoring acquisitions—Tesco's 3 Guys in Ireland, which is loss-making, and Kwik Save's Cee-n-Cee shops—both groups seem to have held their net margins, and Tesco claims to have put on market share without opening new selling space in the UK. Certainly its volume is up by more than 10 per cent, and the sales mix is moving nicely in the direction of higher margin goods.

Next year, though, may bring more difficult conditions. True, neither company is particularly vulnerable to a weak trend in consumer spending — Tesco's Home'n'Wear division, indeed, which has shown only a modest advance in 1979 so far, may benefit from some trading down.

But costs, particularly wages, will almost certainly be rising faster than food price inflation, and profit margins will come under pressure.

Tesco also faces the unfamiliar prospect of a move into net borrowing. Its capital expenditure programme, including the Cartiers acquisition, will be around £100m in the current year and a similar figure in 1980-81. Profit and depreciation will amount to no more than £60m or so this year, and net debt in the next balance sheet may be £25m or so.

At present Tesco is paying no mainstream corporation tax, and its quick stock-turn and extended credit terms give it some positive cash-flow from its suppliers. Any change in the terms of stock appreciation relief would be unlikely to work in Tesco's favour, and the contribution from creditors only grows in line with turnover.

It might be tempting for Tesco to counter the squeeze next year by trying to push gross margins up a little, particularly as it will want all the cash it can get for its ambitious expansion programme. But the group insists that it has no plans at present to change its trading practice.

Certainly a little overhead room on gross margins would be a tremendous help to a group like Kwik Save, which with its relatively small range of highly price-sensitive goods has to be able to undercut the supermarket majors to make a living. Equally, it is vulnerable to any hotting up of the price war which might reduce its advantage. It seems unlikely that there will be any widespread price-cutting from present levels, but Tesco's rivals are not going to sit around and let it pick up market share indefinitely. At 63½p Tesco yields around 5¼ per cent and stands at around 10 times fully-taxed earnings: for Kwik Save at 108p the yield is 4¼ per cent and the p/e 11¼.

Burton Group

Down nearly 40 per cent from the 1979 peak ahead of yesterday's results, the Burton share price had a shot in the arm with the "A" jumping 20p to 224p. It was not just the way the 1978-79 figures topped recent expectations, with pre-tax profits emerging at £17.46m against a restated £6.78m. There is also clear optimism about the current year, despite the uncertain retailing trends which have caused the market to waver in its projections; Dorothy Perkins will make a contribution net of financing costs, says Burton, and overall the group is set to make "further progress." Against this background the Board is embarking upon the long-awaited enfranchisement of the "A" shares, with propos for one-for-seven compensati for the voting units—a little the generous side in comparis with most of the recent p cedents.

Sales growth at Burton picking up, as more of t group's refurbished stores co back into action. Only 3 p cent in the first half of 1978- growth accelerated to 13 p cent in the March-Augu period, and to 19 per cent the past 2½ months though th includes a few points of ext VAT. The group's success sto in womenswear has faded little, with the fashion tra recently going through a stic patch, but womenswear tradi profits still rose 27 per cent l year. The big gains, howeve came in menswear with prof more than trebled.

The spending programme running ahead of cash flow, b demand has picked up useful in the last month or so, a though there is unlikely to another major profits advan something in the £18m-£2 range pre-tax is on the cards f 1979-80. The "A" yield 6.6 p cent, with a fully taxed p/e around 10.

Wedgwood

The sharp improvement Wedgwood's second quarter r sults brought home to t market that its worst fears the impact of strong sterli were unjustified and the sha price rebounded 9p from its lo of the year to 76p. After a fi quarter in which pre-tax pro was cut by two-thirds, t second quarter has shown a ri of 20 per cent compared wi the same period in 1978. This enough to bring the halfwa drop in pre-tax profits back to third.

After the August increas prices in North America, ha risen by about 25 per cent o a 12 month period. But dema has proved relatively inelas in the all-important U.S. mar for bone china, where sa volume has risen 12 per ce over the first half. Overa volume has fallen about 4 p cent in the first half, with d mand for the cheaper earthe ware product easing back in th UK, Canada, Australia an Europe. Nevertheless, operati margins in the second quart are well up. While it may not b possible to recoup all the fi quarter decline this year, pro pects for next year, with a 250 anniversary to be celebrate through the sale of suitab bric-a-brac, look more pro ising. On unchanged gro dividend the yield is now 8 per cent.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.